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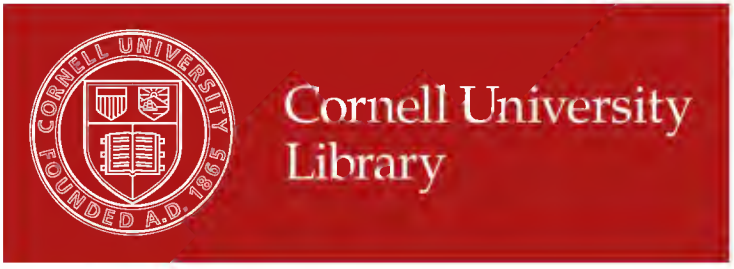

THE MENACE OF PRIVILEGE


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MENACE OF PRIVILEGE

A Study of the Dangers to the Republic from the Existence of a Favored Class

BY

HENRY GEORGE, JR.

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Up! our heritage to claim!
Up! in love and honor's name!
Hearts that falter, would ye shame
  Trust our fathers gave?
Once again the belfry swings,
Freedom's bell above us rings:
Palter not with baser things!
  Rest — but in the grave.

— FRANCES MARGARET MILNE: *For Humanity.*

TO THE MEMORY

OF THOSE

WHO HAVE BEEN OVERBORNE BY PRIVILEGE

AND

TO THOSE WHO ARE NOW

ENLISTED IN THE GREAT STRUGGLE AGAINST PRIVILEGE

THIS VOLUME IS DEDICATED

Facts are to the mind what rules of morality are to the will. It is bound to know them and to bear their weight; and it is only when it has filled this duty, when it has viewed and measured their whole extent, it is then only that it is permitted to unfold its wings and to take flight to the high region where it will see all things in their totality and their results. — GUIZOT: *History of Civilization in Europe.*

PREFACE

WHAT is the cause of the grave changes that are coming over the American Republic — the extraordinary inequality in the distribution of wealth manifested on every hand; the rise of class feeling; the growth of the aristocratic idea; the lapse from morals in business and private relations among the very rich; the growth of elements of physical, mental and moral deterioration among the working masses; the appearance of militant trade-unionism; the perversion of the injunction principle and the use of soldiers in strikes; the corruption of Federal, State and municipal politics; the deterring of press, university and pulpit from an open expression; the centralization of government; the advances in foreign aggression?

Such things did not exist at the foundation of the Republic. Why should they now appear when we have grown so wonderfully in population and wealth? Why should this age contrast so unfavorably with that when the nation numbered less than our chief city now contains?

The answer is that something is rampant now that existed only in rudimentary form then. That something is Privilege.

This volume strives to show in a brief, suggestive way how privileges granted or sanctioned by government underlie the social and political, mental and moral manifestations that appear so ominous in the Republic. The monopoly of natural opportunites, heavy taxes upon pro-

duction, private ownership of public highways and other lesser privileges cause the great inequalities in the distribution of wealth which are evident all about. For these are not powers to produce wealth, but powers to appropriate it.

This inequality in distribution causes the formation in the community of two clearly marked and powerful classes with distinct views and mutually hostile feelings. One of them is lifted into superabundance and the weaknesses and vices that spring from it; while within that class is born the spirit of superiority and the feeling that the "work people" were created expressly to work for it.

The "work people," composing the great body of the population, constitute the opposing class. Cut off by monopoly from free access to natural opportunities, and robbed of and taxed on the fruits of their labor at every turn, they have been reduced to an intense competition for a living. In the skilled trades they have organized into unions to control the supply of their kinds of labor, in order to keep up and, if possible, increase its price. This organization for defense brings a power for offense that, governed by a narrow or an unscrupulous spirit, may be exercised in opposition to general public rights.

There has, therefore, risen up in the nation two great, belligerent elements: leagued privileges on the one side, labor unionism on the other. When Privilege cannot make terms with labor unionism, by which it may peacefully rob the public, it makes war against it. Its chief weapons are soldiers and an extraordinary development of the judicial enjoining order.

And not only to help in this, but to protect and extend the favors that are its life, Privilege further endeavors to control politics by corruption, and to influence public

opinion through purchase or intimidation of the press and through gifts to the university and the pulpit.

All this leads to the centralization of government and to foreign aggression, and reveals in the Republic startling parallels with great nations which, after brilliant development, entered upon the path of ruin and death.

All this is treated not in abstract, but in concrete style; with citation of events and forces visible to any who will look. A very much larger array of facts might be presented with their minor details and qualifications, but that might confuse the purpose of this volume, which is to show sharply that the anomalous and seemingly unrelated state of things, social and political, mental and moral, that are so gravely disturbing the Republic are in reality related and spring from privileges granted or sanctioned by government.

Yet this volume is not an outcry of pessimism. It is a word of warning, but also of hope. Tax land monopoly to death, thereby enabling the remission of all taxation now embarrassing production, and take all public highway functions into public hands, and the main causes of the unequal distribution of wealth would be removed. The destruction of the numerous secondary causes would quickly follow.

The Republic rightly boasts of great achievements, and it has in reserve power for great things to come. But half-way measures will be worse than futile, since they will give growing time to Privilege. The one sure way to cure the ills that afflict the nation is to destroy Privilege at the root. And that, and only that, accords with the mandates of Justice.

HENRY GEORGE, JR.

NEW YORK,
October 29, 1905.

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BOOK I

PRIVILEGE: ITS EXTENT AND NATURE

The great ones of the world have taken this earth of ours to themselves; they live in the midst of splendor and superfluity. The smallest nook of the land is already a possession; none may touch it or meddle with it.

— GOETHE: *Wilhelm Meister.*

CHAPTER I

THE LAND OF INEQUALITY

NOTHING can be more surprising to the thoughtful observer than the social inequality existing in the United States — a country which Mr. Bryce says Europeans early in the nineteenth century deemed to be preëminently the land of equality; which inspired De Tocqueville's descriptions and speculations; and which provoked Americans themselves to constant boastings.

Except for the slaves and Indians, there was at the beginning of the Republic full political and approximate social equality. The country was new and unappropriated. Beyond the narrow rim of settlement along the Atlantic seaboard lay the free, virgin and seemingly illimitable West. All who would might come; and coming, could find opportunity to make for themselves and their families an independent, if rugged, living. The American Commonwealth was then in the pioneer stage. Few material privileges existed. Nature, being for the most part unappropriated, offered her milk and honey freely and bountifully to all.

Work was the rule. It was the common means of subsistence, the badge of responsibility and respectability. The printer, Benjamin Franklin, the surveyor, George Washington, the lawyer, Thomas Jefferson, the sailor, John Paul Jones, the merchant, John Hancock, were American types of manhood and practical citizenship. "In America people do not ask, 'What is he?' but 'What can he do?'" wrote Franklin in 1782, while repre-

senting the Republic in Europe. "In short," he continued, "land being cheap in that country, from the vast forests still void of inhabitants, and not likely to be occupied in an age to come, in so much that the property of a hundred acres of fertile soil full of wood may be obtained near the frontiers (in many places, for eight or ten guineas) hearty young laboring men who understand the husbandry of corn and cattle, which is nearly the same in that country as in Europe, may easily establish themselves there. A little money saved of the good wages they receive there while they work for others enables them to buy the land and begin the plantation, in which they are assisted by the good will of their neighbors and some credit. Multitudes of poor people from England, Ireland, Scotland and Germany have by this means in a few years become [relatively] wealthy farmers, who, in their own countries, where all the lands were fully occupied and the wages of labor low, could never have emerged from the poor condition wherein they were born." [1]

The precepts of industry, honesty and thrift of Franklin's "Poor Richard's Almanac" pointed to the almost certain road to competence and respite from toil in old age. And even though this meant living in the pioneer state for many, it did not mean want and suffering. "In every part of North America," wrote Franklin in 1788, while President of the Supreme Council, virtually Governor, of Pennsylvania, "the necessaries of life are cheaper than in England. Scarcity is unknown there. . . . The price of labor in money being higher than in England, and provisions cheaper, the actual wages, that is, the amount of necessary articles which the day laborer can buy, is so much the greater." [2]

[1] "Information to those who would remove to America," Franklin's Writings, Bigelow Edition, Vol. VIII, pp. 175–176.

[2] "Reflections on the Augmentation of Wages which will be occasioned in Europe by the American Revolution," Franklin's Writings, Bigelow Edition, Vol. X, p. 53.

And thus, while the mass of men by their labor could obtain a living that afforded all the necessaries and many of the comforts of life, with independence and self-respect, there were no private fortunes as we speak of private fortunes to-day. "The truth is," said Franklin, "that though there are in that country few people so miserable as the poor of Europe, there are also very few that in Europe would be called very rich; it is rather a happy mediocrity that prevails. There are few great proprietors of the soil and few tenants. Most people cultivate their own lands, or follow some handicraft or merchandise, and few are rich enough to live idly upon their rents and incomes." [1]

John Adams, writing to a friend in Massachusetts at the time of Washington's election as commander-in-chief in 1775, described the latter as "a gentleman of one of the finest fortunes upon the continent." Washington's Virginia plantations, his homestead at Mount Vernon, his slaves, and his lots in the new city of Washington were the chief parts of his possessions, and were worth perhaps half a million dollars. He had, moreover, various tracts of land in other parts of Virginia, and also in Pennsylvania, New York, Kentucky and the Northwest Territory. It is probable that, all told, his estate was at the time of his death worth about three-quarters of a million — a considerable fortune in those days of general equality, but comparatively no fortune at all in these days.

John Hancock was reputed to be the richest man in Massachusetts at the Revolutionary period. His uncle, Thomas Hancock, with whom John was in partnership in a mercantile business, died in 1764, leaving to John, immediately and collaterally, property and enterprises judged to be worth not less than $350,000, one of the largest fortunes acquired in Boston up to that date. John

[1] Franklin's Writings, Bigelow Edition, Vol. VIII, p. 172.

Hancock was then twenty-seven. Like his uncle, he was a money-maker, but against his gains he suffered heavy losses preceding and during the Revolution. It is probable that at his death, in 1793, at the age of fifty-six, he was not much richer than his uncle's will had made him; say, something more than $350,000.

Thus we have two instances of the richest men in the early days of the Republic: George Washington in the South, worth three-quarters of a million; John Hancock in the North, worth a third of a million. Although we should not think of classing them among the wealthy men of our day, there were then but few comparable with them. The standard of what constituted riches was low.

On the other hand, real poverty was casual and nowhere deep or chronic. The reason of this was plain. The easy access to land made it a comparatively simple matter for all men to get subsistence. Because of this accessibleness to good land, wages were high — much higher than in Europe, as Adam Smith in the "Wealth of Nations" points out.[1] Whenever any were dissatisfied with the wages obtained by following trades or in working in any way for others, they could, as Thomas Jefferson said, quit such vocations, take up some land, and "go to laboring the earth" for themselves.[2]

Benjamin Franklin bears the same testimony. In a brief essay written before the Revolution he asserted that, notwithstanding the rapid increase of population both by births and immigration, "so vast is the territory of North America, that it will require many ages to settle it fully, and, till it is fully settled, labor will never be cheap here, where no man continues long a laborer for others, but gets a plantation of his own; no man continues long a journeyman to a trade, but goes among those new settlers and sets

[1] Book I, Chap. VIII.

[2] Letter to J. Lithgow, Jefferson's Writings, Ford Edition, Vol. III, p. 269, note.

up for himself, etc. Hence labor is not cheaper now in Pennsylvania than it was thirty years ago, though so many thousand laboring men have been imported." [1]

This "importing" of labor, to which Franklin refers, arose from the very high wages demanded for continuous service. Laborers were brought from Europe under indentures binding them to their employers for terms of from one to five years. The exchange of American for European conditions was most advantageous.[2] This practice continued for many years. On the ground of economy and certainty, Washington in 1792 advised the use of this expedient in engaging laborers to work upon the public buildings, grounds and streets of the Federal capital city on the Potomac River which Congress had ordered to be built and to bear his name.[3] Not only were wages and the standard of living among laborers higher in America than in Europe, but there was little poverty and little crime. Such poor as existed were taken care of. "From Savannah [Georgia] to Portsmouth [New Hampshire]," said Jefferson, "you will seldom meet a beggar. In the large towns, indeed, they sometimes present themselves. They are usually foreigners who have never obtained a settlement in any parish. I never yet saw a native Ameri-

[1] "Observations concerning the Increase of Mankind and the Peopling of Countries," Franklin's Writings, Bigelow Edition, Vol. IV, p. 225.

[2] M. Meusnier submitted to Thomas Jefferson proof-sheets of an article on the United States which he proposed to publish in the "Encyclopédie Politique." On the proofs Jefferson wrote some notes, among which he said, June 22, 1786: "Indented servants formed a considerable supply. These were poor Europeans who went to America to settle themselves. . . . So desirous are the poor of Europe to get to America, where they may better their conditions, that, being unable to pay their passage, they will agree to serve two or three years on their arrival there, rather than not go. During the time of that service they are better fed, better clothed, and have lighter labor than while in Europe. Continuing to work for hire for a few years longer, they buy a farm, marry, and enjoy all the sweets of a domestic society of their own." Jefferson's Writings, Ford Edition, Vol. IV, p. 159.

[3] Letter to the Commissioners of the Federal District, Ford's "The Writings of George Washington," Vol. XII, p. 215.

can begging in the streets and highways." [1] And several years later, while Minister to France, Jefferson explained to one of his French friends that in the ten years of his attendance as student and practitioner at the bar of the Supreme Court of Virginia there never was a trial for robbery on the high road, and that he never heard of one in any of the other States, except in the cities of New York and Philadelphia immediately after the departure of the British army, "when some deserters infested those cities for a time." [2]

It is to be admitted that Franklin deplored the "emptying out" of the jails of Europe upon us, for some of the European cities transported their long-term prisoners to America both before and after the Revolution. But many of these prisoners had been political offenders and the large majority of those guilty of other crimes soon buried their past in the habits of industrious and law-abiding citizenship. In this land of promise they commenced new and better lives.

Thus the United States, closely preceding and following their separation from Great Britain, offered freely to all such bounties of nature as to put its inhabitants on independent footing with the rest of the world and on terms of equality among themselves. Few were rich and that few not very rich; few were poor in the sense of being permanently dependent. The country was agricultural, and the production of wealth, although fully abreast of the best processes and methods of the day,[3] was small compared with productive results in our time. But, as appears upon every page of universal history, the happiness and prog-

[1] "Notes on Virginia," Jefferson's Writings, Ford Edition, Vol. III, p. 239.

[2] Letter to M. Clavière, Jefferson's Writings, Ford Edition, Vol. IV, p. 402.

[3] Witness the quick adaptation of the best European methods and the upshooting of invention. Jefferson invented a ploughshare and Franklin numerous useful tools. It was the fashion of the public men to introduce from Europe the best grains, shrubs, fruit trees, and stock.

ress of a people do not depend so much upon the measure of the wealth produced, as upon the fairness and approximate equality of its distribution.

Such distribution marked the United States for half a century after the signing of the Declaration of Independence. Mr. Bryce observes that up to the twenties or thirties "there were no great fortunes in America, few large fortunes and no poverty." [1] Then, speaking of the inequalities which had come to exist at the time of his writing, the latter eighties, he says: "Now there is some poverty, many large fortunes, and a greater number of gigantic fortunes than in any other country of the world. The most remarkable phenomenon of the last twenty-five years has been the appearance not only of those few colossal millionaires who fill the public eye, but of many millionaires of the second order, men with fortunes ranging from $5,000,000 to $15,000,000."

Is not this the common observation? Indeed, do we not reach even stronger conclusions from what is commonly to be seen and realized? There has not been any lessening relatively in the volume of wealth. On the contrary, the march of invention and labor-saving processes which have made the nineteenth century a cycle of wonder in the history of mankind has been most brilliant in the United States. With us there has been an increase in the volume of production far outstripping advancing population.

A distribution of this increase comparable in fairness with that existing in the early days of the Republic would have produced to-day fewer great fortunes and practically no involuntary poverty among men willing and anxious to work; while the mass of population lying between the extremes would now be enjoying in peace and ease most of the material comforts of our civilization.

But there is no such approximate distribution. Instead,

[1] "The American Commonwealth," Part VI, Chap. CV (Vol. II, p. 616).

it is grossly unequal. Manifestly there is an intense and intensifying concentration of wealth. Comparing the returns of the United States Census of 1890 with New York State probate records and Massachusetts State reports, Dr. Charles B. Spahr concludes that at that time one per cent of the families of the United States owned more of the general wealth than did the other ninety-nine per cent. He computes that one-eighth of the families held seven-eighths of the wealth.[1] A careful review of Dr. Spahr's data and methods makes his conclusions seem safe. Unfortunately the data and methods of the twelfth census are different in essential respects from those preceding (frequent and serious faults in our census work), so that it is impossible to institute a comparison. However, the United States Bureau of Statistics computes that the aggregate wealth of the country in 1900 was $90,000,000,000. Presumably this includes the trust inflations. Mr. John Moody estimates[2] that over "440 industrial franchise, transportation and miscellaneous" trust combinations have a total capitalization of more than $20,000,000,000, or two-ninths of the Statistical Bureau's estimate of the country's total wealth. And obviously these 440 or more corporations are controlled by comparatively few persons. It was at one time pointed out that the twenty-four men then on the Board of Directors of the United States Steel Corporation (Steel Trust) directly or indirectly represented one-twelfth of the "total wealth" of the country.[3]

[1] "The Present Distribution of Wealth in the United States," p. 69. Dr. Spahr offers a classification dividing the aggregate wealth of the country, $65,000,000,000, between 12,500,000 families (about 62,500,000 individuals) as follows: 125,000 families, averaging $264,000, and aggregating $33,000,000,000; 1,375,000 families, averaging $16,000, aggregating $23,000,000,000; 5,500,000 families, averaging $1500, aggregating $8,200,000,000; 5,500,000 families, averaging $150, aggregating $800,000,000.

[2] "The Truth about the Trusts," Introductory.

[3] *The World's Work*, December, 1903. The twenty-four men alluded to were: J. P. Morgan, John D. Rockefeller, Henry H. Rogers, Charles M. Schwab, Elbert H. Gary, George C. Perkins, Edmund C. Converse, James

Recognizing this tendency to center in the hands of a small percentage of the nominal owners the full control and practical ownership of the mass of wealth, the late brilliant corporation lawyer and political economist, Mr. Thomas G. Shearman, as early as 1889 declared that "the United States of America is practically owned by less than 250,000 persons." [1] Nor did Mr. Shearman stop there. He ventured to predict that were the concentrating movement to continue at the same rate, "within thirty years . . . the United States of America will be substantially owned by less than 50,000 persons."

Need we inquire further? Is it not clear that, so far from being in respect to the distribution of wealth as Mr. Bryce described, "preëminently the land of equality," this Republic has become palpably a land of inequality? There has been no lessening in the power of producing wealth. On the contrary, nowhere has there been so auspicious an era of invention and labor-saving processes. Production has increased by leaps and bounds. But there has been something grievously at fault with its distribution. It has gone in great part for the enrichment of a few. As if by magic, it has piled up amazing fortunes; as though some possessed lodestones drawing to them a very large portion of the wealth and leaving to others only sufficient to afford subsistence and barely encourage a continuance of production.

The effect of this highly unequal distribution must be manifold and marked. First of all it divides the community into two general classes: the gainers and the losers; into the House of Have and the House of Want. Next it causes broadly a lowering of public and private morals.

Where wealth concentrates, the rich grow intoxicated.

Gayley, Marshall Field, Daniel G. Reid, J. D. Rockefeller, Jr., Alfred Clifford, Robert Bacon, Nathaniel Thayer, Abram S. Hewitt (deceased), Clement A. Griscom, Francis H. Peabody, Charles Steele, William H. Moore, Norman B. Ream, Peter A. B. Widener, James H. Reed, Henry C. Frick, and William Edenborn.

[1] "Who Owns the United States?" in *The Forum*, November, 1889.

They are, as it were, in a land of wonders, where dollars pair and multiply without aid of human thought or touch of human hand. Coins that but a moment before filled a single bag now fill an array of them, such as greeted the eyes of Ali Baba when the words "Open Sesame" disclosed the treasure cave. This sudden flood of riches begets a thirst for more, particularly as their possessors realize that with these riches goes a power to buy — to command — the services of the multitude struggling for subsistence or something better. And so desire augments. Those who have a million would have ten; those who have ten, would have a score, a hundred, millions. They play a game of chance not only for its excitement, but for its gain — a game where winnings come so fast as to supersede the ordinary means of counting. They play with a money-greed upon them. They play even when they know the dice are loaded, if indeed they do not load them.

Yet there is something else behind this passion. Riches are relative. The ten-millionaire would feel poor if reduced to a million, the hundred-millionaire in danger of want if his fortune shrank to ten millions. The measure of what the mind regards as needs is not the same with these men as with the rest of mankind. The standards of living of the two orders of men are no more alike than is the standard of the average American mechanic or factory operative like that of the Chinese coolie or of the East Indian ryot, who can subsist on a handful of rice a day. Great riches bring a high living standard. It is a false and artificial one. It entails much expense. This expense is not necessary to the highest mental and moral and even physical development. It really retards such development. But it is part of the environment of the very rich. As such, it becomes in their minds necessary to their comfort. The rich man fears poverty because poverty to him means sinking below this standard, albeit a standard preposterously exalted and wholly unnatural

and artificial; a standard made for him, and for him only, by his gross riches; which riches, rapidly increasing, lead to new requirements on his part and new fears. He resembles Mademoiselle Louise, daughter of Louis XV., who, when she entered the Order of the Carmelites, had to learn how to walk downstairs by herself. Belonging to the blood royal and accustomed all her life to descend only the grand staircase at Versailles, and then always leaning on the arm of her cavalier-in-waiting, she feared to descend even a small flight of steps without help. "At first," said she, "it seemed to me a dreadful precipice, and I was obliged to sit down on the steps and slide down in that attitude!"

Socially next below lies the middle class, some of whom, driven by envy, strive to imitate the very rich, while others disdain them and their ways. But both those who ape and those who scorn dread falling to the state of those below — to the state of the "work-people." They are ever keyed up against reverse. They are ever alert against what at most times is only a phantom, but which may at any moment condense into a solid, material monster to devour them.

And below all lie the "mudsills of society," as they have been contemptuously called. Some of them may be dazzled by the sudden rise of men from their own rank to huge riches; but the mass of them are too busy fighting against hunger to be allured by the will-o'-the-wisp. Their desire is to obtain the standard required of civilized men. Advancing civilization gives a multiplying power to production, and these men, who so largely are the producers, should in justice obtain a fair share of this gain. Hence they should naturally aspire to and as naturally obtain the means to enjoy a higher standard of living. But while things of which the laborer of a century ago did not dream constitute wants of the laborer of to-day, the struggle to satisfy present wants is relatively far greater for our laborer than the attainment of the earlier standard was for

his ancestor. Laborers now are closely pursued by and frequently feel the claws and the fangs of the wolf of poverty because of an increasing difficulty in attaining the living standard which advancing civilization establishes and which increasing productive power should make natural for him to reach.

And so from different points of view practically all men have come to fear poverty. Fearing poverty, they abandon the old moral principles. Common transactions of life are marked by deception, by downright lying, by stealthy stealing, by organized robbery. Not only do our courts and prisons swarm with petty thieves and swindlers, but our great captains in manufactures, in commerce and in finance resort to all manner of underhandedness. Our politics reek with graft, and even men of highest standing turn positions of public and private trust to personal gain. The citizens of this Republic, who formerly were, on the whole, so generous, upright and independent in all their dealings, now act like men possessed. In common phrase they are "money-mad."

But what is to be done? We often hear that no change can occur until the people return to the old moral precepts of public and private honesty. This means anything or nothing. It is only to say that the people will again become moral when they become moral.

The essence of the matter is that this Republic will revert to the moral order when there is a less unequal distribution of the vast wealth generally produced, when some do not find it possible to pile up huge, mocking private fortunes, and when the general body of the citizens find it easier to get a living commensurate with advancing civilized life. Then the whole population will approach a common living standard — a higher, better, healthier standard than the various standards of to-day, because it will be commonly enjoyed. All the members of society will be more nearly social equals. At any rate, few or none will have to stoop and cringe, since practically all

will be able independently to obtain an easy living. Where none are princes, none will be subjects.

And thus it is not true that there is no way open to correct general morals. What is needed is to correct the thing that corrupts general morals. That thing is the unequal distribution of wealth. Correct that and morals will correct themselves. Let it be possible for all to get the easy living to which the tremendous increase in productive power entitles them, and morality will govern generally in the higher as well as in the common affairs of men.

This confronts us with the cardinal question: What causes the unequal distribution of wealth? Most men today are vaguely asking themselves that question. Can it be answered? If it can, we shall see what produces social disparities. We shall go to the root of individual and national welfare and happiness. We shall go to the very foundations of civilization.

CHAPTER II

THE CAUSE OF INEQUALITY

WHAT causes the unequal distribution of wealth by which one class is made superabundantly rich, while another, vastly greater, has a hard struggle to get a living?

The will of Heaven, some say. President George F. Baer of the Anthracite Coal Trust was credited by the newspapers of the country, in the summer of 1902, during the second great hard-coal strike in Pennsylvania, with writing to a correspondent: "The rights and interests of the laboring man will be protected by the Christian men to whom God in His infinite wisdom has given the property interests of the country." Whether or not President Baer said this, it represents the thought, or at least the utterance, of a certain class of privileged people.

Others assign a scientific, rather than a religious cause. Mr. Carnegie, for instance, says in his book, "The Gospel of Wealth," [1] that we should "accept and welcome" the condition which "inevitably gives wealth to the few . . . as being not only beneficial, but essential to the future progress of the race," since the keen competition that such concentration involves insures "the survival of the fittest."

Now, of course, if "God in His infinite wisdom" gave the major part of the wealth of the country to certain men, it would be sacrilege to question their possessions. Or if the operation of natural law "inevitably gives wealth to the few," then that few would be justified in using any means whatever in defense of it.

[1] pp. 4–7.

But who really accepts either of these contentions? Certainly not Americans, as a people. Their great charter of liberties set out with the declaration that "all men are created equal." Their national existence started on the principle that one man is entitled to as good a chance in the world as another, and no better. As a people, they simply asked for a fair field and no favor. And because it was possible for each to demonstrate that nature was open to him, — that he could take up and use for himself without let or hindrance of any some of its soil, its forests, its rocks, its watercourses, and so by his own exertions win direct from the natural elements his own and his family's subsistence, — the early American was a bold, hardy, rugged, generous, independent man. All he asked was to be let alone. He sought no one's favor. Indeed, few had favors to grant, except such as pass between equals. Wealth, even learning, was not the measure of stature; it was manhood, truth, self-respect, self-reliance. The core of his religion was not that "God in His infinite wisdom" had given this world to some men. It was that God had made the world large enough for all men to enjoy in peace and plenty. And the science that most interested him was not the one relating to the survival of the fittest, but the one relative to a square show, which he believed our free political conditions and a vast, new, virgin, unappropriated continent guaranteed. Writing to his father, De Tocqueville said of the Americans: "I am at present full of two ideas: first, that this people is one of the happiest in the world; second, that its immense prosperity is due not so much to peculiar virtues or to its form of government, as to the peculiar conditions in which it is placed. . . . Amongst the novel objects that attracted my attention during my stay in the United States, nothing struck me more forcibly than the general equality of conditions among the people."

But when nature later became appropriated, — when all the accessible soil of the United States of America had

become the private property of some to the exclusion of all others, — a privileged class appeared. Those who owned a share of nature possessed a material advantage over those who owned nothing of it.

Now the word "privilege" means not a natural, but an artificial condition. Even its derivation shows that. It comes from the Latin *privilegium*, meaning an ordinance in favor of a person; and *privilegium* comes from *privus*, private, and *let* or *legem*, a law. Hence, in its essence, the word "privilege" means a private law, a special ordinance or a usage equivalent to a grant or an immunity in favor of a particular person.

This word privilege, or private advantage, had application to land monopoly which destroyed Rome. In Rome's early, hardy, virtuous, independent, republican days the principle of equal rights to the soil was recognized in a way suited to a primitive agricultural community. Each citizen had his little plot for living on and working, and besides, each had access to the "public domain" for fuel and grazing. The committee from the Senate waiting upon Cincinnatus to call him to the dictatorship found him plowing his two-acre farm. After a time new laws were passed governing the public lands. But of these laws only comparatively few could avail themselves. Enacted nominally in the interest of all, they resulted really in the benefit of a few. They were in their practical workings *private laws*. They were general in form and language. On their face all had equal opportunity under them. But they really created and protected land monopoly. They were as distinctly to the advantage of particular persons as if private acts had been passed by the Roman Senate and sanctioned by the Tribunes.

In the same way our institution of private land ownership, derived from the later Roman usage and clothed with legal status and social sanction, as it is, has nominally been for the good of all, but really it has worked for the advantage of some, since it has stimulated land specu-

lation and fostered land monopoly. While ostensibly for general benefit, it has been in effect a privilege or private law — an institution for the gain of chance individuals and to the general loss.

It was against this state of things as much as against anything else that Thomas Jefferson's famous utterance, "equal rights for all, special privileges to none," was directed. For earlier, in a letter written from France to Rev. James Madison (dated Fontainebleau, October 28, 1785), he wrote:—

> Whenever there are in any country uncultivated lands and unemployed poor, it is clear that the laws of property have been so far extended as to violate natural right. The earth is given as a common stock for men to labor and live on. If, for the encouragement of industry, we allow it to be appropriated, we must take care that other employment be provided for those excluded from the appropriation. If we do not, the fundamental right to labor the earth returns to the unemployed.[1]

This was not a stray, undigested remark of Jefferson's. He was not given to haphazard utterances. He here stated a bedrock truth, which four years later he extended in a letter to his most intimate friend, James Madison, son of the foregoing Madison (Paris, September 6, 1789). "I set out on this ground," said he, "which I suppose to be self-evident, that the earth belongs in usufruct to the living; that the dead have neither powers nor rights over it. . . . This principle that the earth belongs to the living and not to the dead is of very extensive application and consequences in every country . . . and it renders the question of reimbursement a question of generosity and not of right." [2]

Jefferson saw no need of announcing the principle of equal rights to land more prominently, — in the Declaration of Independence, for instance, — for he never dreamed

[1] Jefferson's Writings, Ford Edition, Vol. VII, p. 36.

[2] *Ibid.*, Vol. V, pp. 116–122.

of the astounding, wholesale appropriation which has occurred. He thought that for "ages to come" there would be enough and plenty for all who wanted good, accessible land. But the then generally adopted principle of private property in land, taken with the later special enactments to get owners for the public domain, has resulted precisely as if particular laws had been passed for the advantage of such individuals as chanced to be first and to the disadvantage of all coming afterward.

When we examine the matter in the light of simple reason we may see that of all privileges land ownership is the greatest, — that, indeed, it is the chief cause of the unequal distribution of wealth. For consider: In the beginning God made nature and man. He did not endow man with the power to produce something from nothing, but required him to apply his powers — that is, his labor — to nature so as to draw forth the things necessary to satisfy human desire. The part of nature to which man was to apply his labor was land.

Now a man has an inherent right to himself, and, consequently, to the fruits of his labor. By the same reasoning, he has no right to another or to the fruits of that other's labor. If this be so, it follows that land cannot in justice be made private property, for to be private property it must be owned by some to the exclusion of others, which would reduce to more or less dependence those others who must use it. Legally, however, in many parts of the world men have been, and in some parts of the world yet are, enslaved and are called "property." Similarly, in most of the civilized world land is owned by a part of the inhabitants and is called "property." Such "property" has the legal as well as what the moralists call the "social sanction." But this reckless use of the word destroys its real and legitimate use. Property refers to something that may be owned without infringing the rights of another. It cannot mean a human being, nor the thing to which a human being must apply his

labor to satisfy his wants and desires. It can mean only that which his efforts may produce from nature. To that he can give title as producer. So that only such things as are derived from labor can be property. This is its sole source and title.

Ownership in a man would give the right to his exertions. Not a right to the slave's body, but a right to his labor was the contention of some of the American pro-slavery advocates. "'The traffic of human souls,'" contended one, "which figures so largely in the speeches of the divines and demagogues, and which so fiercely stirs up the most unhallowed passions of their hearers, *is merely the transfer of a right to labor.* . . . When we say that slaves are property, we merely mean that their masters have a *right to their service or labor.*" [1]

Similarly, ownership of land gives a power to exact part of the fruits which labor upon it shall bring forth. This ownership is not a right of property springing from labor. It is a power to appropriate the fruit of labor. It is not property, but a power to take, to confiscate, property. American black slaves and Russian white serfs were in effect still slaves even after emancipation, owing to the retention by the masters of the land which the former had to use. The serfs while still in bondage admitted that they belonged to their masters, but asserted that the land they worked belonged to themselves. When emancipated, they contended that the land should have gone with them. But in fact emancipation meant only the exchange of one kind of servitude for another. The serfs themselves were freed, but the land from which they had to draw their subsistence was appropriated. In this way servitude was continued without involving the responsibilities which serfdom had imposed upon the masters, among them that of taking care of the laborers.

[1] "An Essay on Liberty and Slavery," by Albert Taylor Bledsoe, LL.D., Professor of Mathematics in the University of Virginia, published by J. B. Lippincott & Co., Philadelphia, 1856. See pp. 91 and 326.

Where practically all available land of a particular kind is subjected to private ownership, a monopoly of land is created. The power of this monopoly in the hands of any one — of an imbecile, if you please — might make him rich out of the tribute that would have to be paid by such as were driven by necessity to use his land.

Even if land were, as private property, originally divided equally among all the inhabitants of a country, some would soon have more than their original share, some less. The law of privilege works toward concentration. Private ownership in land in the end inevitably makes a few landlords and the mass landless.

We can see this concentrating movement all over our country: in the East, West, North and South; in the cities and their suburbs; in towns and villages; in the farming, mineral, timber and grazing regions. Everywhere there is concentrating ownership.[1]

Or to put this in another form: As population increases, competition among the many for the use of land increases, which forces up the value of land. This begets speculation on a future rise, and the value of land is determined, not by present uses, but by what it is expected future competition will compel users to pay for it. Expectancy forestalls the future. Rent — the payment for the use of land — advances with expectancy. It advances even faster than the increasing power to produce wealth. It tends to absorb all the advantage arising from multiplying inventions and improvements in the arts; it tends to appropriate the benefits of social growth and social im-

[1] To be sure the great western land grants, those of railroads, for instance, are being cut up and sold off as farms, but that only signifies that they are entering a new and higher classification — from non-used to used lands. Becoming farming lands, the concentration principle at once reasserts itself. Later, it commences all over again, when the farms pass into a higher use as urban and suburban lots. This involves a new subdivision, followed by a new concentrating movement. With the advance of such land to a higher class, the number of users to owners is more disproportionate as compared with that which existed in the class below.

provement; it tends to pile up riches in the hands of its recipients at the expense of the mass of users, among whom competition increases as their numbers grow. Under speculation, rent, or ground value, as it is sometimes called, tends to rise, until the point is reached beyond which users cannot give more and at the same time retain enough of their produce to sustain them and encourage them to continue producing. The late Professor J. E. Thorold Rogers puts the case most aptly:—

> Every permanent improvement of the soil, every railway and road, every betterment of the general condition of society, every facility given for production, every stimulus supplied to consumption, raises rent. The land owner sleeps, but thrives. He alone, among all the recipients in the distribution of products, owes everything to the labor of others, contributes nothing of his own. He inherits part of the fruits of present industry, and has appropriated the lion's share of accumulated intelligence.

We have only to look about us to realize that land values, taken as a whole, have swelled to enormous proportions in the United States. We have no adequate statistics on the subject, but whoever will look will observe the rise in villages, towns and cities; in agricultural regions, taking them at large; and in mineral and timber regions, taken similarly. A small lot at the corner of Broadway and Wall Street, New York City, which in 1827 sold for $18,000, in 1905 sold for $700,000. While the ratio of increase there may have been more or less than in other places, this case illustrates the general tendency. Speculation in land sucks and sucks; and it grows as it sucks. The greater and more lasting the prosperity of a community, the greater the stimulus to speculation. The more such stimulation, the higher goes the price of land, which means the more and more that must be paid for its use.

And since the ownership of land is rapidly concentrating, the speculative advance in the price of land means an augmenting payment to a lessening number of persons

by the masses of the people, who are not land *owners*, but who have to be land *users*, for no man can do without the use of land in some form.

Is it not obvious from this that the forced price of land arising from monopoly and speculation is an appropriation, a robbery? Speculation is going on generally. Wherever in the United States men are settled there is more or less effort to get possession of land, not so much for what labor can at the time produce from it, as for what its possessors may get from its "rise" — from the anticipation of what labor will after a while, when competition is keener, be forced to pay to use it.

The matter sums up to this: The power of production is fast increasing. The shares going to labor and capital, the active and passive factors in production, might reasonably be expected to increase accordingly. But they do not. They remain the same, or lessen. What seem like leeches absorb practically all the increase. And of these leeches, land speculation is the greatest. Wages and interest, the returns to labor and capital, remain stationary if, indeed, they do not fall, because of the increasing rent that must be paid for the use of land. Rising speculative rent and other forms of privilege make a colossal robbery from the productive activity of the country, since they appropriate the advances in material prosperity.

For an indication of the power of monopoly of all kinds of land, take an instance of one kind. The *Chicago Tribune* (January 1, 1903), referring to the fact that the Steel Trust was buying up competing steel companies, "not so much to get their plants as to get the mines they owned," proceeded in explanation: —

> The mere purchase of the steel mills of independent concerns will not give the steel corporation that monopoly of a great industry which the men at the head of it would like to acquire. There will always be capital available for the construction of iron furnaces and steel mills, except in the contingency that a sufficient supply of ore cannot be obtained. If the steel corporation shall become the owner

of the cream of the ore lands, it will have a natural monopoly and will occupy an impregnable position. The supply of iron ore is not so limited as is that of anthracite, but some ore beds are rich and are so near the surface that they can be cheaply worked. Other deposits are of inferior quality and are not so easily worked. The independent company which had to depend on the inferior mines would find effective competition impossible.

The appropriating power of the private ownership of land can perhaps be more appreciated in that form embodied in grants to individuals of public highways — permits for long or short terms to transmit, without effective competition, through such highways intelligence, light, heat, power, water, products or persons. The rental value of naked "rights of way" possessed by public franchise corporations through the streets of New York City is estimated at this time to be not less than $40,000,000 annually.

And out of these various forms of land ownership comes a superimposed speculation, which, to those who can control it, is prolific. This is speculation in mining, railroad and "industrial" stocks. These stocks are issued by companies based upon land monopoly of some kind. Those controlling the companies can and do "get in on the ground floor" prices before the first sale to the public. They also can and do manipulate the stocks to greater or less degree, "unloading" at inflated prices to the public, and buying back again when the public has discovered the deception, and prices have fallen. The scion of one of our distinguished families, who was disinherited with a paltry million, but who, threatening long and costly litigation, was instead given seven millions, has, within a half-dozen years, while living like a prince and actually entertaining princes at home and abroad, increased his fortune, it is believed, to $25,000,000. In one year he is thought to have cleared $10,000,000. In the language of Wall Street, he "hit the market right." In more precise language, he got in with the speculators. But for land and other monopoly elements in these stock mar-

ket companies, there would have been no such stock speculation, and this young man would not now be known chiefly as a successful money getter, but would probably be earning honor, and incidentally a reasonable income for himself, as an inventor, for which he has, despite the present handicap of his millions, shown unmistakable aptitude, some of his locomotive contrivances being used with good results on large railroad systems of the country.

Private ownership of land has been treated at much length because in its direct forms, and in its indirect or public franchise forms, it constitutes the worst of all privileges, since it commits the heaviest robberies from the wealth producers. But there are other important kinds of privilege. One of these is taxation, when it is made to fall, as is generally the case, only slightly upon monopoly advantages, which it might be used to kill or to absorb into the public treasury. Instead of doing this, it is caused mainly to fall upon industry and the produce of industry. Such taxation burdens production and kills off competition among producers. The protective tariff is a shining example of such a law. It is sought by domestic producers to discourage foreign competitors. The higher such tax, the less the competition and the greater the centering of production in a few hands.

Still another is embodied in opportunities and immunities under the laws and in the courts enjoyed by certain individuals and combinations of individuals called "corporations," which, although not very important in themselves, become enormously powerful when used to exploit other forms of privilege, such as natural opportunities and franchise grants, as will later be seen.[1]

There are still other subsidiary forms of privilege, but speaking in a general way, the privileges causing the unequal distribution of wealth may be named in four divisions, to wit: (1) natural opportunities privately held

[1] Book II, Chap. II, and Book VI, Chap. I.

under special or general laws; (2) various kinds of taxation on production and its fruits; (3) franchise grants; (4) powers of incorporation and various sorts of immunities in the courts.

These different kinds of privilege empower their holders to appropriate, without compensation or adequate compensation, a large or small share of the produce of labor. When the production of wealth is great, the powers of appropriation enable their possessors to heap together masses of wealth.

The existence of these various forms of privilege explains, and nothing else will explain, the sudden rise of private fortunes in the United States. So long as privileges were few and carried only weak appropriating powers, the mass of the people of the country had practically equal access to natural opportunities, and were deprived of but a small share of the produce of their labor. The country was then, as observed by Mr. Bryce, practically a land of equality in respect to the production and distribution of wealth.

But as the monopoly of land and other privileges appeared and strengthened, great private riches, accompanied by degrading and imbruting poverty, began to appear.

This is not to set intelligence, energy, honesty, and thrift at naught. With a fair field and no favor, they should count for everything. But is there such a thing amongst us as a fair field and no favor? Surely not with great privileges in existence. Thousands upon thousands who have the qualities of intelligence, energy, honesty, and thrift, under present social adjustments find intense difficulty in getting subsistence. Privilege forestalls them, and sells to the highest bidders opportunities to get subsistence or better.

Nor is it to be supposed that because social conditions were more equitable a century ago than they are now, the men then were inherently better than they are now. I

do not revert to the past as to an age when men were perfect. Human nature does not change. What do change are its manifestations, and these vary with environments. John Hancock vainly tried to make a corner in whale oil. Had he lived in this period, he might have been a Rogers or a Rockefeller. Washington was as keen after landed possessions as many of our Western ranching or lumber kings. Advertisements in Franklin's paper, *The Gazette*, give strong suspicion that that philosopher in the early half of his life engaged in the purchase and sale of slaves. While Jefferson publicly and privately condemned slavery, and feared the wrath of a "just God" would be visited upon his country for permitting the existence of the institution, he acted as Southern men of his means and station did — he kept slaves. Alexander Hamilton was the master spirit in a franchise grab which, if attempted to-day in any of our cities, would make a furious municipal scandal and uproar. I revert to the past not as to an age when human nature was any better than it is now, but to a time when there were more equal opportunities.

In those early days of the Republic subsistence was the thing that all could get, and get it without cringing to any. Now multitudes are haunted by the wolf of the mind — the fear of want. And since "all that a man hath will he give for his life," everything may be sacrificed in the strife for a living. Even though we enjoy a republican form of government, and have none of the monarchical civil distinctions, yet the superabundance heaped up for the possessors of privileges will outrival that of princes. Republican citizens will become, in effect, princes in riches. They will, in fact, become very Princes of Privilege.

BOOK II

PRINCES OF PRIVILEGE

Think'st thou there is no tyranny but that
Of blood and chains? The despotism of vice —
The weakness and the wickedness of luxury —
The negligence — the apathy — the evils
Of sensual sloth — produce ten thousand tyrants,
Whose delegated cruelty surpasses
The worst acts of one energetic master,
However harsh and hard in his own bearing.

— BYRON: *Sardanapalus.*

CHAPTER I

TYPES OF PRINCES OF PRIVILEGE

THAT great individual fortunes proceed from the privilege of appropriation of the bounty of nature may be proved by shining examples. The huge Astor fortune is conspicuous.

An American citizen born, Mr. William Waldorf Astor has voluntarily expatriated himself to become a British subject. Few British nobles are in riches so powerful. As part owner of New York, he could, did he care to do so, call about him an escort of liveried men a hundred times as numerous as the body of six hundred retainers that the king-making Earl of Warwick had attend him as he went to and from Parliament.

John Jacob Astor, the founder of the family, was the son of a jovial, improvident retail butcher. He was born in Waldorf, in the Duchy of Baden, Germany, in 1763. An older brother, George Peter Astor, had gone to London, and there later established the firm of Astor & Broadwood, makers and sellers of musical instruments. When John Jacob was perhaps eighteen he went to London and into his brother's employ. But he longed to join another brother in America, Henry Astor, who had a small butcher business in New York City. In November, 1783, with one good suit of Sunday clothes, seven flutes, and about five pounds sterling of money, all his worldly possessions,[1] John Jacob Astor took steerage passage for Baltimore, which he reached on the following March. He

[1] Parton's "Life of John Jacob Astor," p. 28.

at once repaired to New York. He had learned from a fellow steerage passenger something about the fur trade. This interested the young man, who obtained a humble position with a Quaker, named Robert Browne, who was in that line of business. Young Astor was painstaking, frugal and moral, and he rapidly rose from the simple duty of beating furs to that of purchasing them. With a pack on his back he traveled all over the State of New York. Within three years he set up in the fur business for himself. He had a little shop in Water Street, New York. It was furnished with only a few toys and trinkets used for trading with the Indians for furs. The use of furs in Europe and America was common at that time, so that there was an extraordinary demand. Young Astor soon established connections in London, and in turn became agent in New York for his brother's musical instrument firm of Astor & Broadwood. He moved into a large store in Gold Street, and hung out a sign bearing the words "Furs and Pianos." The fur trade increased until, in 1794, Astor owned a vessel that carried his skins to London and brought various merchandise back. In 1800 he extended his trade to China, sending furs and fetching teas. He was a man of unsleeping energy, a large organizer, a hard bargainer and singularly close with all save the members of his family. In 1800, after approximately fifteen years in business, Astor was, says Parton, computed to be worth about a quarter of a million dollars.

Had Mr. Astor left to his heirs only his fur and carrying trade there would probably be no Astor millions to-day. For, as is well attested, the large majority of industrial and commercial enterprises sooner or later fail. What the founder of the Astor family did was to invest his fortune in a form of privilege. He bought land in New York City.

Says Mr. Parton, "Having an unbounded faith in the destiny of the United States, and in the future commer-

cial supremacy of New York, it was his custom, from about the year 1800, to invest his gains in the purchase of lots and lands on Manhattan Island." He occasionally went into land speculation elsewhere, as in the case of acquiring title to about one third of the County of Putnam, New York State, in 1809, for $20,000. He sold his interest in 1827 for about half a million dollars. He also made money in other ways. For instance, on the outbreak of the brief War of 1812, he bought United States bonds at 80, which a year later stood at 120. But from 1800 to the end of his life, in 1847, Astor's chief pursuit was land speculation in Manhattan Island. As has been observed, he had in mercantile pursuits acquired a quarter of a million dollars. When he died, forty-seven years later, he was believed to be worth $20,000,000. This great increase had come mainly through increase in the value of his landed possessions. And he exacted the last dollar of his rents, too, even up to the time when he had become physically so feeble that he had to be nourished like an infant at a woman's breast, and, unable to ride in a carriage, had to be daily tossed in a blanket for exercise.

It is difficult to learn the precise extent and value of the Astor holdings to-day. They are scattered and held under various names. It is, moreover, the policy of the Astors, as with all the great estate owners, to shroud in darkness all information relative to their possessions. Yet it seems tolerably certain that the combined Astor estates in New York City are worth above $400,000,000. Mr. Burton J. Hendrick, in *McClure's Magazine* for April, 1905, writing on some of the aspects of this subject, has observed that while at Astor's death his real estate was worth $20,000,000, it had increased to $100,000,000 in 1876, when William B. Astor died; was in 1890 estimated by competent authorities to be worth $250,000,000; and now amounts, including the various Astor holdings, distributed among several branches of the family, to at least $450,000,000.

Since the first Astor made his original investments, a hundred years ago, Manhattan Island has grown from 60,000 to 2,000,000 inhabitants. Its environs also have grown immensely. The Astors had to do nothing save to allow New York's increasing population to roll up a fortune for them. The Persian in the old tale found that the more he ate the more there was to eat. So with the Astors. They have spent the amount of their primal land investment many scores of times over, yet to-day they have, in real estate values in America's greatest city, what perhaps exceeds 2000 times the sum that John Jacob Astor originally laid out in land. It is like eating the cake and having it besides, the part so remaining increasing to many times the size of the original cake!

So important is the business of this Astor estate, or the "Astor Estates," for the property is divided into several parts, that the agent in charge is paid a salary as large as that which the nation pays the President of the United States — $50,000 a year. This agent collects the rents. Out of these rents he distributes a royal income among the members of the Astor family. The remainder is used to make improvements, and to *buy more land* in New York City.

The value of the houses on the Astor estates represents, of course, a value arising from human toil. Yet it is a value that has to be repaired constantly against the attacks of the elements, which destroy all products of labor. But how much do such elements destroy the value of land? Whatever may happen to improvements, the land grows more valuable as time brings a larger population to the vicinity. This land value, or site value as it is also called, is not a value produced by labor. It is a value arising from the power which ownership of such land gives its possessor to exact labor or the fruits of labor from those who wish to use that land. As population grows, competition for the use of the Astor land increases. The manager of the Astor Estates need build no houses or

make other improvements. Persons in need of that land will pay handsomely for a lease of it, even though it be bare, and they be compelled to do all the improving. And as population increases and thereby intensifies the competition, higher and higher ground rents will be paid on renewals of the lease.

Let me be clearly understood. I am not reflecting in the least on the Astors personally. I make no question of their right to a high moral standing in the community. I have no grievance with riches as riches. I am merely tracing out the seats and the workings of special privileges. The Astors happen to possess a form of privilege.

The Astors were not made princes of vast wealth by conquest. As plainly they were not made such by industry, for the earnings of the original Astor were, as compared with the present Astor fortune, quite small. His descendants have been doing little or no work of a productive kind since, except to improve the estates, which have, to speak figuratively, been improving themselves, out of the rent from the land. The present Astors have been made richer than the Count of Monte Cristo of romance, through possession of a privilege created by law and approved by usage. Their privilege has the social as well as the legal sanction. Mr. John Jacob Astor, the forebear, for a song, bought land on Manhattan Island. Growing population did the rest. The Astors are Princes of Privilege, because they are princes of a considerable part of the soil of New York. They have cornered that part of nature against population.

Here we see the process by which private appropriation of a value that arises not from labor but from a bounty of nature heaps up a gigantic fortune.

Take an instance of another kind: great private riches that spring from a mineral bounty of nature, as presented in the fortune of the late John W. Mackay. As has been justly said of him, Mr. Mackay was a strong man, a good man, a very human man, who became very rich, but whom

wealth did not spoil. But how did he get his great riches — by his labor alone, or by his labor plus privilege?

Mr. Mackay first saw the light of day in Dublin, Ireland, in 1831. He was the son of poor parents, came to New York when a mere boy, procured employment in the ship-building office of William H. Webb, and was not twenty when he went to California, soon after the discovery of gold there in 1849. He worked with varying success in many mines in California and Nevada. In the seventies he was a woolen-shirted mining superintendent in the Washoe Mountains, Nevada. John G. Fair, a friend of his, was also a mining expert. These two men had the belief that there was good-paying ore in the Consolidated Virginia mine in the Comstock lode, although that mine was generally thought to be worked out. They found they could buy the mine for about $100,000. They went to San Francisco and induced two saloon keepers, James C. Flood and William S. O'Brien, to make the purchase with them. Almost as soon as they commenced work on their new possession the partners struck a "bonanza," or "kidney," or pocket of pure ore. The monthly output of the Consolidated Virginia for the first half-year exceeded $1,500,000. Mr. Mackay was reported to have owned a two-fifths interest, which became worth on the San Francisco Stock Exchange approximately $60,000,000. He and each of his partners shot up to the front rank of the rich men of the world.

Did "industry" as we commonly understand that word produce the vast Mackay fortune? Or was it rather the fruit of a lucky strike? Whether we call it this or something else, the underlying fact is that that which Mackay discovered was a bounty of nature. Under the statute law mere discovery made this natural storehouse of silver the private property of the Mackay group. Although a legalized private possession, this silver mine was none the less a great privilege. It clothed the Mackay group with artificial and unnatural advantages in pro-

duction, insomuch as it gave them something with which to command the services and tribute of other men.

Observe how this was exemplified. Mr. Mackay and his bonanza partners set up the largest bank on the Pacific Coast, with a view to doing not only a regular banking business, but also to manipulating gold and silver stock speculation on the San Francisco market, at that time the largest and most active market in precious metal stocks in the world. Thence these four men reached out and procured other forms of monopoly, chief among them being railroad and telegraph lines. Armies of men put on the liveries of these Silver Princes of Privilege in their various realms of empire and worked for them with much the kind of subservience that high-born courtiers and low-born peasants bowed before and did the bidding of "Lord's Anointed" sovereigns during the feudal periods of Europe.

As with our Silver Princes, so with our Gold, our Copper, our Lead, our Zinc, our Coal, our Iron Princes. They are Princes of Privilege because they possess, albeit with full warrant of law, more or less close monopolies of nature's bounties. Such monopolies empower them to control the services of a multitude of their fellow-beings.

Heaped wealth results from appropriation of natural bounties or resources, whatever their form; whether in centers of population, or in mineral, timber or agricultural regions.

Only a few generations ago the nation had a continent to overspread. Such a vast area, with its varying soils and climates, should have been ample to support a thousand millions of people. But such has been our prodigal waste, that all save the rocky or dry regions has been appropriated. Much of this land was allotted under the homestead act, but through the operation of speculation and of heavy taxation on improvements, and very largely through mortgage foreclosures, a considerable proportion has passed into the hands of banks and of trust and

mortgage companies, who hold them out of use for a rise, or sell them in great tracts to large ranchers, or sell them on mortgage in small pieces to small users, expecting mortgage foreclosures sooner or later to bring them back, or else rent them out to tenants on shares. Land tenure in the United States had come to such a pass in 1900 that only thirty-one per cent. of the families owned homes or farms that were free and clear of all debt. Fifteen per cent. owned homes or farms that were encumbered, and more than half of the families — fifty-four per cent. — owned neither homes nor farms, but paid rent.[1]

Much of the land of the United States, especially the Western and Southern farming land, is held in large tracts. For instance, the Texas Land Syndicate No. 3 owns 3,000,000 acres in Texas, in which such English noblemen as the Duke of Rutland and Lord Beresford are largely interested.[2] Another syndicate, the British Land Company, owns 300,000 acres in Kansas, besides tracts in other States. The Duke of Sutherland owns hundreds of thousands, and Sir Edward Reid controls 1,000,000 acres in Florida. A syndicate containing Lady Gordon and the Marquis of Dalhousie controls 2,000,000 acres in Mississippi.

But these holdings become as nothing beside some of the *stealings* of the Western land thieves. The extent of their operations is almost beyond belief. Mr. William R. Lighton, of Omaha, Nebraska, who has made an exhaustive and careful examination of this matter, says, in a remarkable series of articles published in the *Boston Transcript:* —

> Within the last fifteen years there has been stolen from the public domain not less than 150,000,000 acres; an area that would make thirty States of the size of Massachusetts, five States as large as New York, or three States as large as Kansas. When the truth is known, — as it may be by and by, — these figures will doubtless be doubled,

[1] See "Free America," by Bolton Hall, p. 43.
[2] "Free America," pp. 55–56.

trebled or quadrupled. The present statement is one justified by present knowledge. A recent grand jury investigation in California, backed up by other official inquiry, disclosed that one man alone in that State holds title to nearly 15,000,000 acres, acquired within the time named by the flagrant processes of theft. There are dozens, and even scores of men whose stealings will run from 10,000 to 1,000,000 acres or more, the extent of their grabs depending principally upon their ability to swing transactions to a successful issue.

No reference is made to the solemn, semi-official chicanery of the railroad land grants or to the equally bald grants in the Southwest, glossing over earlier pilferings. Those deals appear by comparison impeccably honest and above reproach. This charge relates only to such downright, outright, deliberate stealing as cannot be described by any other name, bearing no stamp of formal official approval.

Wherever there is a body of public land large enough to make a bait worth swallowing, there the thefts are going on. Lands of every description are included. Millions of acres in the rich wheat valleys of California have been stolen; millions of acres of grazing lands on the plains of Kansas, Nebraska, Dakota, Wyoming and Montana have been stolen; millions of acres of timber land in northern California, Oregon, Washington, Wyoming and Montana have been stolen, not to mention the earlier stealings in the now almost devastated timber regions of Michigan, Wisconsin and Minnesota; and now the lumber thieves are plying their shameless trade unhindered in the new fields of Mississippi and other undeveloped districts of the South; unnumbered acres of mineral land have been stolen — in fact, nothing worth stealing has escaped the clutch of these bold outlaws.[1]

And then behold the railroad grants. To the generation now growing up, the prodigality of the grants out of the public domain to what are known as the "land grant railroads" is scarcely credible. Besides a continuous strip of land from one to four hundred feet wide for a right of way, with additional land for sidings, stations, yards and the like, the Federal Government granted all alternate sections,[2] in a belt of land a number of miles in width running on each side of the right of way strip. The grant to the Southern Pacific, for instance, consisted of alternate sections of a belt of land 60 miles wide in California, and

[1] These articles are seven in number, and bear date of May 20 and 27, June 3, 10, 17, and 24, and July 1, 1905.

[2] A section is a square mile in United States land measurement.

100 miles wide in the Territories (some of them now States). The grant to the Northern Pacific consisted of alternate sections in a belt of land 120 miles wide, running from the western boundary of Minnesota to Puget Sound and the Columbia River.[1]

The total railroad land grants have amounted to approximately 200,000,000 acres, or 312,500 square miles.

Can the significance of this be easily realized? This gift of public domain to our Western railroad companies was sufficient to have made 2,000,000 American farms of 100 acres each. It would have made more than 33,000,000 farms such as in Belgium support a family each in happy independence.

Or consider the matter in another way. This land gift to the railroads is equal to the combined areas of the States of Maine, Vermont, New Hampshire, Massachusetts, Connecticut, Rhode Island, New York, New Jersey, Pennsylvania, Delaware, Maryland, Virginia, West Virginia and North Carolina. It is nearly as large as the territories of England, Scotland, Ireland, and France, taken together, which support a population of at least 75,000,000.

This is the land ownership aspect of the railroad problem. It will grow more portentous as the years pass and multiplying population intensifies the demand for land. But what is of more pressing concern at present is the highway aspect of the railroads. This is a constant and increasing aggravation. A steam railroad is a steam public highway. In the beginning of railroad building in the United States it was so regarded. But the public rights were soon lost sight of under private possession. The

[1] Besides land, the Federal, State, and municipal Governments made enormous grants of money and bonds for the stimulation of railroad building, mainly in the West. The five Pacific railroads (Northern Pacific, Union Pacific, Atlantic and Pacific, Southern Pacific, and Texas Pacific) received enough in cash and bonds to build the roads and put large fortunes into the pockets of their managing promoters besides. These five roads received from the Federal Government alone United States bonds amounting to $64,000,000.

policy of charging the general public "all that the traffic will bear," while secretly discriminating to build up monopolies among favored users, has made it a matter of profound and general wonder how, in the words of the distinguished jurist and railroad authority, Mr. Charles Francis Adams, "the business world sustains itself." Through high traffic charges and discriminating rates, railroad companies have become organizations for public plundering and monopoly breeding. Supreme Court Justice William J. Gaynor, of New York, in a recent address said: —

> The greatest crime of our day and generation is the favoritism in freight rates on our public highways. I say crime, for more wrong has been done by it than by all the crimes defined by our statutes. It has crushed and beggared thousands all over the land. And I say public highways, because our railroads are our public highways. That the public highways of a country should be used to aggrandize some and destroy others is so infamous and so heartless that we will be looked back upon as a generation lost to moral sense for having allowed it so long.

A brilliant English observer, the late Duke of Marlborough, fifteen years ago called our railroads "the very life and lungs of trade." He said that the main arteries of these railroad systems are now permanently worked out.[1] "It will be practically impossible to make new routes, except at fabulous cost, with approaches to the coast. The strategical positions are seized and occupied, and whoever can possess himself to-day of a controlling interest in a main through route and allied feeders across the great central basin of the Northern States, cannot be deprived of a gigantic monopoly in the present and in the future."

Facing these facts, observe the extent to which the railroads have combined and railroad management has concentrated. Mr. Charles A. Prouty, of the Inter-State

[1] *Fortnightly Review*, April, 1891.

Commerce Commission, emphasizes what has been repeatedly shown: that "of the 200,000 miles [of railroad lines] in the United States, approximately 125,000 miles are controlled by a half-dozen individuals." Shall we not say then that our great railroad magnates, the Goulds, the Vanderbilts, the Hills, the Harrimans and the Huntingtons are Princes of Privilege?

If steam railroads are public highways, are not street car lines in the cities, towns and villages of the country in the same sense public highways? Are not all pipe and wire lines through such thoroughfares similarly public highways? Yet in not a single municipality are the street car lines in public hands. Where are the instances in which the telegraph and telephone wires and heat and power pipes are operated by public officials? In all but a very few of the municipalities the electric lighting and power wires are in private hands. In many municipalities the water supply is the business of private, or only quasi-public corporations. Only in the case of sewage piping is there public municipal ownership and operation throughout the country. Hence most of the arterial functions of the body social in our centers of population are in private hands. In a few instances enlightened self-interest swells net receipts by constant improvement in service, but the general policy pursued is to refuse to improve until driven by public pressure. And at all times is practiced with more or less care the art of "getting most feathers with least squawking."

The great value of municipal highway public franchise privileges may be judged from the fact that the annual "earnings" of these rights of way in Greater New York, as distinguished from plants and equipments, are conservatively set down by experts at this time at $40,000,000. The combination, merger and absorption principles are, taking all the important communities together, rapidly bringing the public service corporations into fewer and fewer hands. Hence we have the Whitney, the Widener,

the Ryan, the Dolan examples of Princes of Municipal Franchise Privilege.

But it rarely happens that, whatever their source, the great individual fortunes are developed from one source of privilege alone. The amazing Rockefeller fortune, for example, sprang from several kinds of privilege, but mainly from two, — railroad monopoly and land monopoly.

John D. Rockefeller was born in central New York, in 1839, amid humble circumstances. He early went to Cleveland, Ohio, and his name appeared in the directory of that city in 1858 as a "bookkeeper." For several years he was industrious, his habits were frugal, yet he had but small success as a fortune-maker. He became a member of a struggling produce commission merchant firm — Clark and Rockefeller. The petroleum resources of Pennsylvania and Ohio were at that time having their sensational development, and Cleveland had become an oil-refining center. This new business opened new chances for money-making. Mr. Rockefeller left the produce business, and formed an oil-refining partnership with an ingenious Englishman named Samuel Andrews, who made a number of improvements in the refining process. Later Mr. Rockefeller established a second refinery under the name of William A. Rockefeller & Co., and opened an agency in New York. In June, 1870, he merged these and other companies in the Standard Oil Company, with a capital of $1,000,000. The men interested were John D. Rockefeller, Henry M. Flagler, Samuel Andrews, Stephen V. Harkness and William Rockefeller, John's brother.

For a while the Standard Oil Company was unaccountably prosperous. In the face of keen competition its business rapidly grew. Its competitors were astonished and puzzled. At length one of them, Mr. Alexander, of the firm of Alexander, Scofield & Co., accused one of the railroads of giving the Standard Oil Company better rates.

So far from this being denied, it was agreed that Alexander's firm should share the rate favor. He was to pay the open or regular rate on the oil he shipped from the oil regions to Cleveland, which at that time was forty cents a barrel. At the end of each month he was to send to the railroad vouchers for the amount of oil shipped and paid for at forty cents, and was to get back from the railroad in money fifteen cents on each barrel. This concession, however, applied only to oil brought from the wells to Cleveland. Alexander was never able to get a rebate on oil shipped eastward, although the Standard Oil Company did. Protestations to the railroad managers only brought the explanation from them that if he would ship as large quantities as the Standard Oil Company, he could have as good a rate.[1]

That was the secret of the Standard Oil Company's amazing ascension to power and wealth. Mr. Flagler, in 1870, had secretly proposed to General J. H. Devereaux, vice-president of the Lake Shore & Michigan Southern Railroad Company, whose New York connection was the New York Central Railroad, that if the Standard Oil Company could obtain a special through rate it would ship sixty carloads a day. The railroad official acceded. This arrangement, says Miss Tarbell, in her "History of the Standard Oil Company,"[2] gave the oil corporation "steady transportation the year round to the seaboard, at a rate cheaper than anybody else could get. It was equivalent to renting a railroad for their private use. Every Cleveland refiner was put out of the race. The refining business was so prosperous at the time the arrangement was made that suspicion was not at first aroused, but in a year's time the effect became apparent. Firms which had been making $10,000 to $20,000 a year, found

[1] Testimony of Mr. Alexander before the Committee on Commerce of the United States House of Representatives, April, 1872. See "History of the Standard Oil Company," by Ida Tarbell, Chaps. II, III.

[2] Chap. III.

themselves making little or nothing. But why? That they did not see. The oil business of Cleveland was growing prodigiously. By 1870 the city had become the largest refining center in the United States, taking 2,000,000 barrels of crude oil from the region — one third of the entire output of the oil regions. Instead of being destroyed by the competition of refineries built close to the wells, it was growing under the competition, but in spite of this growth, only one firm — the Standard Oil Company — was making much money."

In other words, the railroad rebates enabled the Standard Oil Company to undersell its refinery competitors. Many of those competitors were ruined, others were absorbed, until Mr. Rockefeller's group obtained a monopoly of the business. Controlling the refining of oil, they had the power to control and then absorb, first the oil wells, then the pipe lines, and lastly to buy into the control of the oil-carrying railroads themselves.

With the wonderful flood of riches that the Standard Oil monopoly thus poured in upon Mr. Rockefeller and his companions, they could and did push out in other directions, procuring by purchase, by special legislation, or by darker ways a variety of other privileges. Some of these privileges were monopolies of nature, such as tracts of standing timber, tracts of iron, coal, silver, copper, salt and other minerals. Other privileges consisted of ownership of or "forcible influence" in public highway monopolies, such as steam and electric railroads, illuminating, telegraph and telephone companies. The great income proceeding from such sources enabled Mr. Rockefeller to buy into the control of tariff-created or tariff-fostered manufacturing combinations like the Steel Trust. Mr. Rockefeller was further enabled to establish a vast chain of banks which can "bull" or "bear" the stock market at will, promote or deter Federal or State legislation, sway politics, and altogether exert ten, twenty, fifty times the malign power that shook political institutions to the center in

President Jackson's time, when the United States Bank flourished.

Mr. Rockefeller may or he may not have been fair and honest in his business dealings after he came into possession of these privileges. That we need not discuss. We may be certain, however, that the most unfair and dishonest man, armed with such law-made advantages, could have become just as rich as the famous head man in the Standard Oil group of multi-millionaires. However intelligent, industrious, honest and frugal, he could not have risen from obscurity and poverty to the front rank of the enormously rich men of the world but for the help of certain laws and immunities, which, for short, are embodied in the word "privileges." Indeed, until Mr. Rockefeller obtained such privileges, he remained comparatively poor and obscure. And because he has not had the use of such privileges, many another man just as able as Mr. Rockefeller is slaving away his old age at a bookkeeper's desk, if indeed he has not been supplanted even there by a younger, quicker man, and been reduced to a lower position, or gone to his grave, wrecked in body and mind.

If particular men have been named in this chapter, it is not with personal animus, but only to show how the principle of privilege operates when used — how it would operate in the hands of anybody who applied it with ordinary intelligence and even a part of the energy that is expended in general commercial and manufacturing pursuits. In brief, it is not the man, but the principle, that is to be kept in mind.

CHAPTER II

FURTHER TYPES OF PRINCES

LIKE the Rockefeller fortune, the Carnegie fortune came from several kinds of privilege. It came mainly from land, transportation and tariff privileges. Secret rebate railroad rates and the acquisition of the most advantageous coal and ore beds enabled Mr. Carnegie to outdo domestic rivals, while a high tariff duty cut off competition from without. This gave to him and a few others a practical monopoly of the chief lines of an industry at a time when cheapening processes caused its enormous development.

Born in Scotland, and brought to this country when quite young, Mr. Carnegie was the son of poor, hard-working, thrifty parents. At the age of twelve he began to earn his living as "bobbin" boy in a cotton mill in Allegheny City, Pa., on a salary of $1.20 a week. Later he became a telegraph messenger in Pittsburg, then a telegraph operator in the Pennsylvania Railroad employ, and subsequently superintendent of the Pittsburg division of that company. He made his start to fortune by obtaining an interest in three lines subsidiary to that railroad's development. First, he was shown by the rising Thomas A. Scott, of the Pennsylvania Company, how he could buy at a low figure ten shares of the Adams Express Company, an interior corporation of the railroad. Later, he was "let in on the ground floor," for a block of stock of the Woodruff Sleeping Car Company, which afterwards was absorbed by the Pullman Company.[1] This was the time when the Stand-

[1] Autobiographical introductory notes to Mr. Carnegie's book, "The Gospel of Wealth."

ard Oil Company was killing or swallowing its refining rivals, and absorbing the oil regions by use of the secret rebate, which it obtained, first from the Lake Shore and New York Central roads, and afterwards from the Pennsylvania, the Baltimore and Ohio and other roads. Mr. Carnegie, with other of the Pennsylvania officials, early became interested in the Columbia and other oil companies. Old records of the Columbia Oil Company appear to indicate that stock for which Mr. Carnegie paid $637.50, he subsequently sold for $72,000.[1]

This rebate railroad principle was apparently tried to advantage for the inside railroad group in other directions, but in none to so marked a degree as in the rapidly growing iron and steel business. During and following the civil war there was a great demand for the metal, especially in railroad building. Pittsburg had both the coal and the ore close at hand, so that it was naturally adapted to iron manufacturing. Messrs. J. L. Piper and Aaron G. Shiffler of that city had for several years been building iron bridges for the Pennsylvania and other railroads, as substitutes for wooden structures. Perceiving the likelihood of this development, and doubtless having a division-of-profits understanding, such as commonly exist between railroad managers and construction companies, Mr. Carnegie organized this Piper-Shiffler business into the Keystone Bridge Company, in April, 1865. Among the stockholders appeared the names of Mrs. J. Edgar Thomson, wife of the president of the Pennsylvania Railroad Company, Mr. Thomas A. Scott, vice-president, and several other high officials of that road. In other words, the Keystone Bridge Company was largely owned by the managing officials of the Pennsylvania Railroad Company, from which it obtained its chief business.[2] Moreover,

[1] "Inside History of the Carnegie Steel Company," by J. H. Bridge, p. 30.

[2] See "Inside History of the Carnegie Steel Company" and "The Gospel of Wealth."

it has been published, and apparently has not been denied, that Mr. Carnegie's interest in the bridge company was given to him in return for services rendered in its promotion, possibly in getting the other Pennsylvania officials interested.

During this same year, 1865, Mr. Carnegie helped to organize the Union Iron Mills Company in Pittsburg, by uniting the Cyclops Iron Company with the Kloman-Phipps Iron City Forges. The Cyclops Iron Company was a new enterprise in which were heavily interested Mr. Carnegie and Mr. Thomas N. Mills, purchasing agent of the Pittsburg, Fort Wayne and Chicago Railroad. In the Kloman-Phipps Iron City Forges, Mr. Thomas M. Carnegie, Andrew's brother and assistant in the Pennsylvania road, was interested. The Keystone bought most of its structural material from the Union Iron Company, and both companies had sure purchasers of their products in the Pennsylvania and Fort Wayne roads, besides getting "ground floor" rebate freight rates over both roads east and west.

Shortly after that Mr. Carnegie resigned from the Pennsylvania road and devoted himself to the iron trade. In 1870 the firm of Kloman, Carnegie & Co. was organized to manufacture pig iron for the Union Iron Mills and the trade. In January, 1873, was organized still another Carnegie firm. Its title was Carnegie, McCaudless & Co. Its business was to manufacture steel by the Bessemer process. In October, 1874, the name of this concern was changed to the Edgar Thomson Company, Limited. A plant was erected on the site of Braddock's defeat in the colonial days. The company was named after the president of the Pennsylvania road, who was a large stockholder. Vice-President Scott also held stock, as did Mr. David A. Stewart, president of the Pittsburg Locomotive Works, and Mr. John Scott, a director of the Allegheny Valley Railroad — two corporations close to the Pennsylvania.

The established system of rebates obtained from the Pennsylvania Railroad for the products of the Edgar Thomson Steel Company forced President Garrett, of the Baltimore and Ohio Railroad, to make similar rate concessions, and these reductions in traffic costs played a very important part in the rapid growth of this Carnegie establishment, as in all the other Carnegie concerns. The high protective tariff and the rail pool were also great factors in the Carnegie prosperity.[1]

In October, 1883, following a depression in the iron and steel trade, there was a strike at the rival works of the Pittsburg Bessemer Steel Company, Limited, at Munhall, in the suburbs of Pittsburg. The works were quite new, but the Carnegie group were able to buy them at a very low figure, paying, it was reported, little cash, and liquidating the notes out of the subsequent profits of the mills. A similar transaction is believed to have occurred in 1890, when the Carnegies are reported to have bought for $1,000,000 in bonds the New Allegheny Bessemer Steel Company works at Duquesne, which had been embarrassed by a strike. This million was probably met within a year out of the profits of the new plant and the facilities of the Carnegies.

Thus their railroad and other advantages, together with their natural abilities and industry and unbroken good fortune, made it possible for the Carnegie group to absorb their rivals. Short of any of these elements, they probably would have failed. A combination brought them a monopoly of the more important parts of the steel industry

[1] In 1877 the Edgar Thomson Company paid its first dividends — indeed three of them — amounting to 41¼%, paid in cash and stock. In 1878 the earnings were more than 31% on its capital, which had been increased to $1,250,000; and in 1880 the clear profits are reported to have amounted to $1,625,000. The high protective tariff and the steel rail pool enabled the various Carnegie companies to clear more than $2,000,000 in 1881, and more than $2,128,000 in 1882. The cost of making steel rails was between $34 and $38.50. The average price received during these years, owing to the tariff and the pool, was $56.26. See "Inside History of the Carnegie Steel Company," pp. 99–102.

in the Pittsburg region, and gave them the means, in 1892, after a bloody strike conflict with their employees in the Homestead district, over a new scale that reduced wages, to crush the steel workers' labor union to submissiveness. In that connection it is instructive to remember that the Carnegie group had been potent with the lobby at Washington, and through it had been among the most persistent and insistent beggars for a high customs tariff for this country, on the plea of "protecting" American workmen and of enabling employers to pay high wages!

In March, 1900, the various "Carnegie interests" were merged into one corporation — The Carnegie Company — with a capital stock of $160,000,000, and a bonded debt of a similar amount. Embraced within this new incorporation was the H. C. Frick Coke Company, having more than 10,000 coke ovens, and 40,000 out of 65,000 acres of Connellsville coal lands, producing the best coke coal in the world. This new incorporation also included interests in the Oliver Company, which had acquired ownership of two thirds, or 500,000,000 tons, of the highest-grade Bessemer ores in the Northwest. It likewise embraced certain railroad and steamship lines for the economical carriage of ore and products.

This $320,000,000 of capitalization and bonded debt was a gross inflation. The company was not worth above $126,000,000. At least it was so valued in sworn affidavits by Andrew Carnegie, Messrs. Schwab, Phipps and other partners, and their attorneys, in the H. C. Frick partnership suit in 1899, when Mr. Frick and Mr. Carnegie seemed about to separate. And yet at the formation, in 1901, of that gigantic balloon of inflation, the United States Steel Corporation (Steel Trust), the Carnegie Company received in exchange for its $320,000,000 of bonds and stock, $402,000,000 of the new trust's bonds and preferred stock, and also $90,000,000 of common stock. Mr. Carnegie received, as his personal share, $217,620,000 in five

per cent. gold bonds, which in fact constituted a blanket mortgage over all the plants of the trust.

Thus, starting with nothing, Mr. Andrew Carnegie, through the use of privileges of various kinds, became from this source of iron and steel more than two hundred times a millionaire. Getting into the growing Pennsylvania railroad system, he had obtained "ground floor" interests in dependencies of that system. Directly or indirectly, through the secret rebate principle, he had obtained interests in the developing oil and the developing iron and steel industries. Securing and keeping a virtual monopoly of the steel trade in the Pittsburg district by absorption of rivals, laborers were compelled to compete as individuals for employment, union among them in the Carnegie works being destroyed and prohibited. Through direction of the pig, billet and rail pools, and of tariff legislation at Washington, domestic as well as foreign competition was kept down, output "regulated," and prices put up. Then followed absorption of coke-coal fields and ore beds, with ownership of steamship lines for the carrying of raw materials and finished products, while there were also "advantageous" understandings with other lines. Lastly, in the launching of the huge steel trust, Mr. Carnegie had exchanged his Carnegie Company bonds and stock for $217,000,000 of 5 per cent. bonds in a $304,000,000 blanket mortgage covering not only the Carnegie plants, but all the other plants included in the trust as well.

From what did this $217,000,000 Carnegie fortune primarily proceed? Privilege. What were the privately owned railroads but privileges? Likewise what were the interior corporations of these railroads but privileges? What was the real or practical monopoly of oil lands and coal lands and ore lands and gas lands but fundamental and underlying privilege? What was the tariff legislation that prevented competition from without but privilege?

Is it not plain that these directly or indirectly government-made or government-sanctioned privileges were the well-springs of Mr. Carnegie's fortune? Shorn of these advantages, how much progress toward a great fortune would he have made over the many men who were his early rivals, and who possibly knew more than he did about the actual processes of the manufacture of steel? He would have done well, for he had good abilities and the qualities of industry and economy. Doubtless he would have attained a handsome competence. But it is reasonably certain that he would not have become a multi-millionaire.

Attention has been called to the sale of the Carnegie interests in the formation of the Steel Trust inflation. The formation of this trust gives a good illustration of another kind of privilege that has raised men to princely riches and power.

Early in 1901 Mr. J. Pierpont Morgan effected a merger of many of the great steel manufacturing plants of the country, taking the Carnegie Company as the nucleus, that company being perhaps the best equipped and managed, and certainly owning, location and quality together considered, the best ore and coal beds and natural gas supply. The iron and steel trade for several years had been very prosperous along with general business. On the wave of prosperity Mr. Morgan, Mr. John W. Gates, Judge Moore and others had grouped together numbers of small plants into large companies, with a capital in each merger greatly exceeding the sum of the capitals of the companies so combined. But the steel trade being unusually prosperous, and the earnings being large, the public accepted the statements of the promoters that the merged companies could effect savings and acquire business impossible for the smaller competing concerns.

The promoters of these ventures were so successful that, Mr. Morgan taking the lead, they entered upon a project to merge the merged companies, with the Carnegie and

some ore and railroad and steamship properties added. Ten great steel manufacturing companies and a big iron ore company were brought together. The combination was called the United States Steel Corporation. Stocks and bonds to the value of more than $1,300,000,000 were issued, in the purchase of the stocks and bonds of the merger companies. What were these merger companies worth? Professor Meade of the University of Pennsylvania, in his book on "Trust Finance," says that the amount of money actually invested in the various properties of the Steel Corporation has been estimated to be from $150,000,000 to $500,000,000. Mr. Byron W. Holt, editor of *Moody's Monthly*, the financial authority, has asserted that "the actual, visible assets of the United States Steel Corporation are only $300,000,000, or the amount of its bonds, and that all of both kinds of stock [more than $1,000,000,000 face value] is what is commonly called 'water.'"

That is to say, the promoters of the merger put a capitalization on their huge combination which some persons believed to be three times, others nine times, the amount of actual money invested in the properties.

Mr. Charles M. Schwab himself, president of the United States Steel Corporation, in testifying before the Industrial Commission at Washington in 1902, estimated that the mills and furnaces, railroads and cash assets of the corporation amounted to close on to $600,000,000. Why then, he was asked, was the great company inflated with stock and bonds to an amount exceeding $1,300,000,000? Because, answered Mr. Schwab, the company owned or controlled natural opportunities worth at least $800,000,000 — iron and limestone lands, coal and natural gas fields. These he averred, could not be "duplicated anywhere."

So there it was: either the promoters had formed a great monopoly of natural opportunities — of land — upon which to base their great steel trust; or else they were putting water in the milk, sand in the sugar. The probabili-

ties are that the chief promoters really thought, as Mr. Schwab said — that they had a practical monopoly of the best coal and ore lands and that that would, in normal times, at least, give an advantage equivalent to the great stock and bond inflation. Perhaps also they were willing to run the risk of an overestimate, since the public, and not they, was expected to carry the stock.

At any rate, Mr. Carnegie insisting on having bonds for himself and his friends in exchange for their Carnegie Company properties, the promoters sold common and preferred stock to the public at very high prices. But the prosperity boom unexpectedly slackened. Mills and furnaces slowed down or stopped. Earnings lessened; dividends shrank. And, as a consequence, down went the market price of the great trust's securities to half the face value of the aggregate of the bonds and capital stock; preferred stock, which had sold at par (100), going below 50, and common, which had sold at 55, going below 10.

Evidently the land ownership underneath the trust was not extensive enough. But since then the trust has been quietly absorbing coal and ore beds in many directions.

If the public had lost heavily by the oversanguine expectations of the promoters, the promoters themselves did not. Mr. Morgan had formed a large promoting syndicate. No formal public statement of the earnings of this group has ever been made, nor is it ever likely to; but from such occasional information as has appeared, experts in Wall Street matters compute that the syndicate's net profit from the sale of promotion stock must have been approximately $60,000,000, to which probably $40,000,000 more was added by stock manipulation; so that Mr. Morgan and his financial associates in the syndicate formed to promote this one trust are believed to have cleared about $100,000,000 within two or three years.

What does this vast sum of money represent? Earnings from labor? Yes; but whose labor? Surely not the syndicate's. It represents almost purely a power of

appropriation possessed by these gentlemen. They took this great sum and gave nothing in return. It surely represents a powerful privilege, or perhaps it would be more accurate to say that it represents two classes of privileges, one of which is used to exploit the other.

For, as has been shown, underneath the Steel Trust lay the coal and ore beds. Without possession of these, there could have been no hope of forming such a trust. But possessing these, the promoters obtained a legal right to issue stocks and bonds on them, and that right, as they employed it, became an added privilege. For they had incorporated the United States Steel Corporation under the laws of New Jersey, turned the plants over to that corporation, then gave a large share of the stock to themselves for so-called promotion services, and proceeded to sell that stock to the public at top-notch prices. The laws of other States would not have permitted these promoters to do the things the New Jersey laws allowed. Indeed, it may truthfully be said that these very Steel Trust promoters had been the chief men to shape the New Jersey statutes in this regard. And with what result? United States Assistant Attorney-General Beck, during his argument for the Federal Government in the Northern Securities merger suit, put the matter sententiously. The Northern Securities Company was an offspring of the New Jersey law. Mr. Beck said that that State had won "a bad preëminence for its reckless sale of corporate privileges to secure petty fees." He continued: —

> Such extraordinary powers have never been granted to a corporation, unless it be one of the New Jersey breed. In a few words, its powers may be classified as follows: infinite in scope; perpetual in character; vested in the hands of a few; methods secret even to stockholders.

Ex-United States Assistant Attorney-General Whitney has pointed out that until within sixty years almost every corporation was formed by a special act of Legislature,

while at present they are formed under the authority of general laws.[1] The holding company idea germinated in New Jersey in 1888. It was a device for enabling a few men to control majority interests in several or many large corporations. The process of organization under it is simple. Three men, perhaps clerks of some trust-organizing corporation, with money furnished them for that purpose, file a paper with the State authorities and pay a fee. They get a certificate in return, which makes them into a corporation for whatever purposes they like with whatever power New Jersey is able to give them; and, as has been stated, these powers are extraordinarily broad. Such rights as this piece of paper obtained in this way confers upon them these three men turn over to the men who had requested their services and furnished to them the necessary cash. The new holders of the paper become the company, and all that this company has to do thereafter is to purchase with its own stock the stock of other companies, collect dividends therefrom, and divide the proceeds. This was almost exactly the way in which, to use the descriptive language of Receiver Smith, that "artistic swindle," the United States Shipbuilding Company (Shipbuilding Trust), was organized.

As Mr. Whitney describes, this "holding" principle operates in the United States Steel Corporation, to wit: Under the deliberately created devices of the New Jersey Corporation Act, a minority, perhaps a very small minority, of the stockholders of that corporation can control the latter. The Steel Corporation controls the stock of the Illinois Steel Company, which in turn controls the stock of the Elgin, Joliet and Eastern Railroad Company, and these are commingled with a hundred others, all bound together in an intricate system upon a similar plan.

Mr. Justice Brewer of the United States Supreme Court,

[1] *Yale Review*, May, 1904.

in a public address dealing with the concentration of corporate power, has ironically said, "We cannot trust ourselves to hold our own stock."

To outsiders the handling of such enterprises may look complicated, but in their essence they are simple. For instance, a large promoter sends word to his friends to buy the controlling interest in certain railroads. This controlling interest is then sold at a handsome advance to a merger syndicate composed of the same and a few more friends. This merger syndicate sells at a profit to an underwriting syndicate composed largely of these same men with others added. Each of these steps has helped to evolve a mountain of bonded debt and an ocean of stock water. This mountain of bonded debt and ocean of stock water is "placed" on the market. That is, it is "unloaded" upon the public.

Mr. J. Pierpont Morgan stands at the head of Princes of Incorporating and Financing Privilege. He is a banker, yet his largest gains have not come from banking, properly speaking, but from colossal speculation. His word is a mandate in the financial world. If he undertakes to form a "blind pool," it is "blind" indeed. No one is told anything. He does not waste time to explain his plans. He simply sets down the names of certain banks, trust companies, insurance companies and individuals, with the relative portion of the millions for which each shall be permitted to subscribe. He writes, perhaps with a blue pencil on the first bit of paper that comes to hand, a few lines, it may be in almost illegible characters. That scrawl may represent a purchase or an allotment in millions and is esteemed by its holder to be as good as gold in hand. It is not necessary to know what Mr. Morgan has done, is doing, or is going to do. It is only necessary to be counted in as one of his pool. Addition, multiplication, division and silence; that is all it looks like to even an insider, for Mr. Morgan does not condescend to talk. In the promotion of the United States Steel Corporation the Morgan

syndicate probably divided, as has been explained, $100,000,000 of what in Wall Street are called "profits."

Nor is the habit of acting without consultation peculiar to Mr. Morgan. Most of the great corporations having boards of directors composed of men distinguished in the world of finance, manufacturing and transportation are, in fact, conducted by one or two or three men. Mr. Jacob H. Schiff, senior partner in the banking house of Kuhn, Loeb & Co., and a director in the Equitable Life Assurance Society, complained on the witness stand during the great life insurance investigation in New York that directors do not and cannot direct; that in reality they are dummies. They merely approve of what the manager or managers do. These great privileged corporations become practically one-man corporations. And all the scandal of fancy and useless salaries, of preposterous advertising expenditures, and of more than questionable loans and appropriations revealed by the legislative inquiry are as nothing beside the revelations of power vested in a few hands and the way that power is used to control concentrated power elsewhere.

The Equitable Assurance Society, for instance, has ledger assets and income of close to $440,000,000, while its paid-up capital is only $100,000. Whoever controls a majority interest in that small capital controls the business of the company. Gay young Mr. James Hazen Hyde owned $50,200 par value of this Equitable stock. He therefore was in the end the master of the Equitable Society. He transferred that majority interest to Mr. Thomas F. Ryan. The purchase price was presumably several million dollars, for while the par value of this block of Equitable stock can, by the limitation of the charter, earn only $3514 per annum in dividends, the control of the society and the handling of its moneys is worth millions.

Mr. Ryan, who thus became the virtual master of the Equitable, also is believed to control the big Mutual Life and the smaller Washington Life Insurance Companies.

The ledger assets and incomes of the three companies approximate $1,000,000,000!

Why does Mr. Ryan want control of these enormous funds? Not because he wishes to engage in the life insurance business. He may know little and care less about such a business, considered in itself. He desires control of its great investment funds because he wants to name the investments in which the funds shall be placed. For many years it was the policy of the insurance companies to invest largely in United States, State and municipal bonds. Late reports show that now such bonds constitute but a small fraction of one per cent. of their assets. What are those assets? Largely railroad stocks and bonds. And who controls the railroads? Mr. Ryan and his railroad-king and banking friends. Mr. Jacob H. Schiff admitted before the Legislative Investigating Committee in New York, that his banking house had sold many million dollars' worth of securities to the Equitable. Mr. Schiff is and was during these transactions on the finance committee of the Equitable Society, and the transactions were conducted in the teeth of the insurance statutes of the State of New York, which expressly forbids the director of an insurance company from participating in any way in the purchase for such company of securities of another company in which he has interest.

And the relation that Mr. Schiff of Kuhn, Loeb & Co., bankers, held toward the Equitable Life, Mr. George W. Perkins of J. P. Morgan & Co., bankers, held toward the New York Life Insurance Company. As finance committee chairman of the latter company, Mr. Perkins sold to it large quantities of securities of companies promoted by his own banking house.

Is it not clear that men of the Morgan and Ryan type possess great financial powers arising from the privilege of incorporation, and behind that of transportation and other privileges? And these privileges and powers give them potency in legislation by which to protect what they have

and to acquire new privileges and powers. This is constantly shown in our Federal and State capitals, where the lobbies are supported by Privilege. Did not Mr. George W. Perkins, chairman of the finance committee of the New York Life Insurance Company, testify before the legislative investigating committee that his company made a contribution of $48,000 to the Republican National Committee fund in the presidential contest of 1904, and that it likewise made a $50,000 contribution to the same fund in each of the immediately preceding contests? Did it not further appear from testimony that the "big three" insurance companies, New York, Equitable and Mutual, were in the habit of paying regularly into a legislative fund "to effect legislation"?

Observe the things that are to be seen in railroad, tariff and currency legislation at Washington. Take the instance of the bond issue in 1893. The industrial depression coming on and credit being tight, a cry went up that there was not enough gold in the United States Treasury to redeem the paper currency in circulation, and that silver, the bullion price of which had greatly cheapened relatively with gold, would be used, thereby tending to depreciate the currency. Public alarm was quickened by the rumor that a group of individuals, headed by Mr. Morgan, had collected a large quantity of paper money for presentation at the Treasury Department for redemption in gold. The cry was that the Treasury gold supply be increased and kept up. Thereupon the Government sold $100,000,000 of United States bonds for gold. It sold them to a syndicate headed by Mr. Morgan. It received from the syndicate, in addition to the gold, a guarantee that the syndicate would not for a certain period make any effort to have this new Treasury supply drawn upon; or, in other words, that it would not for such time make a raid upon the Treasury. The bonds were sold to the syndicate at a price that enabled the latter to resell to the public shortly afterward and realize millions in clear profit. Here Privi-

lege showed itself strong enough to command the general finances and practically to dictate to the United States Government in a difficult situation. Viewed so, such men might be called Princes of the Road.

The majestic group of marble figures in the pediment of the New York Stock Exchange personify industry, progress, exchange and integrity. But what shall we say of many of the methods of men who are potent there? In a Metropolitan Traction Company suit not long since the late Mr. William C. Whitney described in a realistic way how "strong men" support a corporation needing help. When asked if such strong men make their profits out of the company, he answered with a laugh, "Not out of the company." The wise knew this to mean that the said strong men make their profits out of the public upon whom the company securities are loaded after manipulation.

United States Senator Chauncey M. Depew, as director of the Equitable Life Assurance Society, demonstrated how a "strong man" can use a strong corporation to help a weak one. From the Equitable company he procured a loan of a quarter of a million dollars for a land speculation company in which he was interested — the Depew Improvement Company. That company could give so little security for the loan that the Senator gave his personal guarantee. But when, subsequently, the Depew company failed and left small assets, the Senator practically repudiated the guarantee. When asked if he did not think the latter fixed any liability upon him, he cheerfully answered, "As a lawyer, I don't think so, and I am informed by the counsel of the receiver that he does not." Nor did the Senator make good his guarantee to the insurance society until driven to do so by an aroused public opinion.

Mr. Thomas Lawson of Boston, brought in conflict with his former Standard Oil associates, swore on the witness stand in the scandalous Boston Gas Trust suit that deals amounting to more than $100,000,000 occurred be-

tween himself and Mr. Henry H. Rogers without written agreements. Were the transactions too delicate for record? Mr. Lawson implies that they were.

Certainly many of the transactions of the "big three" insurance companies of New York have been too delicate for entry upon the regular books of those corporations, and had to be kept as "non-ledger" accounts. In the Equitable affairs there appears to have been one item of this nature amounting to more than $600,000.

And what can be made of the books of such banking and fiduciary magnates at the best, when Mr. Perkins, chairman of the finance committee of the New York Life Insurance Company, testifies under oath in the legislative investigation that his company, not wishing to have the public find a certain investment of $800,000 in the bonds of the International Mercantile Marine Company, exchanged those bonds on December 31, 1903, with J. P. Morgan & Co., of which firm Mr. Perkins is a member, for a check of the same amount, $800,000, and then, on January 2, 1904, reëxchanged check and securities? In this way the insurance company, in its sworn report to the Insurance Commissioner of New York, could show $800,000 cash assets, instead of that particular amount of the Marine Company's bonds.

Likewise in the creditors' suit growing out of the financial collapse of Mr. Daniel J. Sully, the cotton plunger. That gentleman swore that his partners, Mr. Frank H. Ray of the Tobacco Trust, and Mr. Edwin Hawley, president of the Iowa Central Railway, had caused his ruin by treacherously selling him out. Mr. Hawley testified that of all their cotton gambling, amounting to millions of dollars, no record was kept.

"I have usually found backers where I saw profit," said Mr. John W. Gates, testifying before the Inter-State Commerce Commission as to how and why he wrested the Louisville and Nashville Railroad out of Mr. August Belmont's hands, and how in the middle of the night he

(Gates) was roused from his couch and induced to name his own price to transfer the road to Mr. J. Pierpont Morgan's hands. Mr. Morgan called Mr. Gates "a dangerous element in the railway world"; and Mr. Belmont pointed to the appreciating stock while the road was in Mr. Gates' hands as indicative, not so much of good railroad management, as of "good market management."

What does all this signify? Equality among the citizens? Does it not show, on the contrary, that some have potent advantages? President Woodrow Wilson of Princeton University was reported to have said at a public dinner that such has become the advanced state of Wall Street affairs that "leaders in the world of finance manipulate the destinies of the nation." Who are the "leaders in the world of finance"? They belong to the class who possess special advantages, created or sanctioned by Government — advantages which, as has been seen, have been placed in four categories: (1) ownership of natural opportunities; (2) taxes on production and its fruits; (3) franchise grants; and (4) powers to manipulate the general finances and juggle the general market, and also court immunities, which powers, when not expressly created, are at least fostered by Government.

What are the comparatively few men possessing these advantages but Princes of Privilege?

CHAPTER III

HOW OUR PRINCES LIVE

Do not those whom we may call Princes of Privilege live with much of the circumstance of princely wealth? It may be answered that their sumptuous style of living outdoes that of many princes born to the purple, making startlingly apparent to the stranger the wide breach existing between them and great multitudes in the Republic who are beset by want or the fear of it.

Take, for example, the New York residence of the late Mr. William C. Whitney. This noble pile of brownstone stands at the corner of Sixty-eighth Street and Fifth Avenue, opposite Central Park. It was sold after Mr. Whitney's death to Mr. James Henry Smith for $2,000,000, which was thought to be a very low price, considering the large sums Mr. Whitney had first and last spent upon it. Beginning with its bronze entrance gates, which came from the Doria Palace at Rome, it is declared by connoisseurs to be a better object-lesson for a student of Italian decoration than any museum in America, and in some ways a better specimen of a palace of the days of Alexander VI and Leonardo than can be found in Italy. One of the many masterpieces that graced the walls of this superb residence during Mr. Whitney's lifetime was a Vandyke portrait for which, it was reported, $120,000 had been paid.

A little north of the Whitney house on Fifth Avenue a still larger palace is being completed. It is the residence of Mr. William A. Clark, the Montana and Arizona cop-

per king, who is also United States Senator from Montana. The ambition of Senator Clark respecting his house may be measured by the corner-stone, which weighs sixteen tons. This stone had to be brought from the quarry in a specially built railroad car. A single mantelpiece is expected to cost $100,000. Impatient at delay in getting bronze fittings and ornaments, a famous foundry was purchased and enlarged specially to meet the needs of this splendid house, which also is to contain a theater capable of seating five hundred persons.

We might describe palace after palace of our Princes of Privilege that for a couple of miles stud Fifth Avenue as thickly as the sumptuous residences of the nobles graced the undulations of the Palatine Hill in Rome before the imperial régime made it the sole abode of the Emperors. Yet magnificent residences are not confined to Fifth Avenue by any means. We find, for instance, the splendid habitation of Mr. Charles M. Schwab, the steel and shipyard prince, rising in the center of a square block at Seventy-third Street and Riverside Drive. The exterior of this building is of the French château mixed Gothic and Renaissance style preceding 1550. It is modeled after the celebrated châteaux of Chenonceaux, Blois and Azay-le-Ridau. When completely finished, this residence of an American citizen, who twenty-five years ago started with nothing, may cost not far from $7,000,000.

So might we pass these palaces in review. If different in detail, they bear common testimony to splendor and vast wealth. They represent all that architectural and mechanical genius and decorative art of our time can supply. More than that, the treasures of ancient European palaces have been laid under contribution for marbles, brasses, bronzes, carved woods, tapestries, paintings and an infinite variety of lesser ornaments.

From New York we might turn to many other cities of the country and find palatial abodes of Princes of Privilege. Nor would this include all. It is not in the cities

alone that we may behold a style of living undreamed of by the founders of the Republic, in marked contrast to the homes of the body of the citizens, and outrivaling as a whole the coroneted aristocracy of any country in the world. We have out-of-town houses and country seats more sumptuous than Roman rural villas in the proudest days of the imperial despotism, more splendid than the feudal abodes in the full flower of the old nobility of France.

For a century the eastern end of Long Island lay thinly dotted with sleepy little rustic villages. The last ten or fifteen years have seen a striking change. Long stretches of both the north and south shores have been acquired by rich owners, who have erected magnificent country seats, surrounding them by woods and landscape gardens.

One of these seats is "Harbor Hill," at Roslyn, on the north shore. It is the out-of-town home of Mr. Clarence H. Mackay, son and heir of the late Mr. John W. Mackay. Following the ancient propensity of the very rich to exhibit their affluence in the name of charity, Mrs. Mackay not long since opened her stately house for a benevolent bazaar. A multitude attended. The inquisitive peered at the fine building and its rare and costly fittings much as tourists in Europe visit and inspect the present and past abodes of royalty. In the half-million dollar drawing-room they may have beheld the much talked of Zarn portrait of the young and comely mistress of the mansion, who, because she for a time had a fancy to use violet note-paper in her large social correspondence, was shocked at the contrast of red two-cent postage stamps, and hence used only three-cent stamps, which are of harmonious violet hue.

A home of similar princely order, but of far different architectural style, is that of Mr. and Mrs. Howard Gould on the north shore of Sands Point. It is called "Castle-gould." It suggests the twelfth century Kilkenny Castle in Ireland, but will be, when finished, much larger and

furnished beyond all comparison. The two hundred servants of this great establishment have the anomalous American distinction of wearing livery.

From Long Island we might pass to Yonkers, a few miles north of New York, and get a glimpse of Mr. William Rockefeller's house and estate; to North Carolina, to see Mr. George W. Vanderbilt's mountain palace, "Biltmore"; to Newport with its splendid mansions; to Lenox and Tuxedo with their million-dollar "cottages." But perhaps more interesting than any of these is Mr. George J. Gould's "Georgian Court," at Lakewood, N. J.

"Georgian Court" is like a French château of the ancient régime set down in pine woods. Before the building is a high, ornate iron fence and a beautiful lawn, which together set off the imposing façade to perfection. Beyond the château is a huge casino for indoor sports. Grouped picturesquely about are other dependent buildings and open tennis and polo grounds.

This "out-of-town house" contains a private theater, replete with the fittings of the finest public theaters, and an inclosed swimming pool. It also contains more than one hundred and ten sleeping suites. One of the noblest art treasures of the mansion is the MacMonnies fountain, with its great white marble basin and bronze and marble group, the whole let into a beautiful, velvet-like lawn. The interior of the house is the acme of luxury. Bronzes, brasses, marbles, tapestries, mosaics, rugs, glorious natural woods, paint that rivals ivory, ceiling canvases by Italian masters and miniatures studded with precious stones, — these and a thousand other things greet the eye in a profusion of richness. They stun the mind when it realizes that this is not the palace of an Oriental monarch or of a sultan of the Arabian Nights' Tales, but the abode of an American citizen.

Perhaps the most dazzling feature of "Georgian Court" is the Golden Corridor. As much as double or treble the yearly wages of the average anthracite coal miner in

Pennsylvania appears to be laid in gold leaf on a single door.

Another type of the palatial country house is that of Mr. Matheson in the little Pennsylvania town of Ambler, where the great mansion is surrounded by a swarm of smaller buildings. There also arises, in a picturesque position, a beautiful Protestant Episcopal church, with a magnificent array of stained-glass windows. Every stone and beam and nail in this house of worship was paid for by the lord of the manor.

Yet a different example of princely habitation is the hunting lodge of Mr. William Rockefeller, in the Adirondack Mountains, in the northern part of New York State. Mr. Rockefeller has a hunting estate of 53,000 acres in this region. He has, with the aid of a number of gamekeepers and after several protracted suits in the courts, twice going to the Appellate division of the Supreme Court, excluded the old-time dwellers in those mountains from the exercise of what they considered their prescriptive rights of hunting and fishing on lands and in streams now constituting parts of his great preserves. There are various other large private game parks in the Adirondacks, the most extensive of which is the 70,000-acre Whitney estate for moose, elk and buffalo, as well as for pheasants, grouse and partridges. This private game preserve, exceeding a hundred square miles in area, is about five times the extent of Manhattan Island.

Or if the desire is to travel, witness the luxury by land and sea! Most of the very rich have their private cars. Mr. W. K. Vanderbilt spent $50,000 on his. Of the large American yachting fleet there are several boats which have cost, individually, from one half to three quarters of a million to build, and probably cost more than $5000 a month to run. A yachting expert estimates that there has been an expenditure of $44,000,000 in yachts in this country, while approximately $8,000,000 is spent annually in running them.

And as with the splendid habitations of the princes living, so with those of princes dead. Note the simple and impressive Vanderbilt tomb at New Dorp, Staten Island; the Rockefeller tomb at Cleveland, Ohio, overlooking Lake Erie; the Mackay tomb on Ocean Hill, in Greenwood, Brooklyn. A man ever watches the latter, lest graveyard vampires steal away the poor dead bodies to demand ransom from the living relatives, as was done with the body of the dead merchant prince, Mr. A. T. Stewart, from the graveyard of St. Mark's church, New York City. Massed granite and riveted steel, polished porphyry, glistening onyx, chiseled marble, molded bronze, embossed brass and glass stained with a myriad hues combine in durability and art in these habitations of our Princes of Power. Parsimony stays not the hand of expense. One window from the tomb of the railroad prince Lamont — a marvel of richness and beauty — would go far toward meeting the arrears of house rent, for non-payment of which 20,000 evictions occur on the average each year in the Borough of Manhattan, New York City!

Thus our princes are surrounded by monuments of their great wealth even to the grave.

How can this run with the current of common thought and action? Just as privilege is not normal, so the preeminence to which it raises its owners is not normal. Indeed, there is something abnormal about the lives of the owners of privilege at every turn, to wit: One multimillionaire has a telephone at his bedside, and before rising each morning he receives from his office all important telegrams and cable messages, and gives preliminary orders and directions. He is the veriest slave to business. Another lives like an outlawed man. He seldom ventures upon the streets unless closely followed by protecting detectives. Another prefers hotel residence to that of a private house. But he changes his hotel frequently, lest his address become generally known, and

he be beset by beggars and petitioners. This kind of pestering and badgering engenders at times an almost incredible hardness of heart and meanness of spirit. So far have the springs of generosity been dried up in one of our richest and widest-known princes, that he threatened ruinous proceedings against a poor, struggling, lifelong friend in order to compel that friend to make summary payment of $80 remaining on a personal loan of $300 from the prince.

Other of our superabundantly rich have opposite propensities for ostentatious public gifts, one having a penchant for erecting innumerable library buildings with his name inscribed thereon. From his reference in speeches and writings to the Roman patron of letters, it is obvious that Mr. Carnegie would like to be regarded as the English-speaking Mæcenas of this age.[1] And how many of our citizen-princes have built churches or contributed largely toward the building or the maintenance of them!

A type suggesting the style of the Florentine prince of the Middle Ages, Cosimo de' Medici, or of his grandson, Lorenzo the Magnificent, who was patron of Greek learning and of the liberal arts, is Mr. J. Pierpont Morgan. He is president of the corporation of the Metropolitan Museum of Arts of New York, and has long loaned to that finest permanent public exhibition on the western hemisphere splendid collections of porcelains and various canvases by the Dutch and Italian masters. The American Museum of Natural History in New York likewise is enriched by a splendid Morgan collection of precious stones, so valuable as to require special inclos-

[1] In an address at the dedication of the new library building of Beloit College, Wisconsin, on January 5, 1905, Mr. Horace White said, using figures supplied by Mr. Bertram, Mr. Carnegie's private secretary, that Mr. Carnegie had up to that time given, or pledged himself to give, 1290 libraries to the English-speaking people. Of these 779 are in the United States. The aggregate cost of these buildings was $39,325,240, of which $29,094,080 were spent in this country, about $6,000,000 in England, about $2,000,000 in Scotland and $1,475,500 in Canada.

ure and the presence of an attendant. These are but part of Mr. Morgan's art treasures. Much of his diversion from Wall and Lombard Street affairs is found in collecting paintings, tapestries, porcelains, chinas, first prints and other kinds of antiques. Judges of such matters have expressed the belief that he owns art treasures worth between ten and fifteen millions. He has one set of Dickens's works valued at $130,000; the manuscript of Book I. of Milton's "Paradise Lost," valued at $25,000; the Mazarin Tapestry, valued at $500,000; and in bringing some fine china through the custom-house, he is said to have placed a value of $10,000 on a single plate. A newspaper cable message not long since announced that Mr. Morgan had vainly offered $400,000 for the single Rembrandt canvas of "Saul and David," which is part of the Mauritshuis collection at The Hague.

Mr. Morgan is accounted an art lover, and to some extent is esteemed an expert. This cannot be said of all who buy masterpieces, however. The competition among our Princes of Privilege has been one of the main factors in the extraordinary rise in value of masterpieces in recent years. To have a number of masterpieces in one's gallery is the fashion, whether the art in them be appreciated by the owner or not. Hence demand for them at any price. Men raised to great power through privilege pay a king's ransom for the right to hang upon their walls a few square feet, or even inches, of canvas covered with pigments, which may mean nothing to them as art, but will serve as an ensign of their power.

With others the sign of power is to be revealed only through the luxury of the table. And where cannot expense there lead? The cost of mere menu at a single formal dinner may be $50 or $100 a plate, with wines and cigars mounting to fanciful figures. The cloth covering the board may be of lace, many of the dishes of solid gold, and the orchids alone used in the floral decorations cost as much as the Republic pays a Congressman

for a year's services. The striving for novelty entails much expense. A hostess may offer her guests peaches and apples artificially sun-marked with her monogram; muskmelons raised in slings; grapes ripened in bags; tomatoes cut from vines, the roots of which have grown potatoes. Though it be the dead of winter, she may have growing strawberry plants, or dwarfed cherry trees, amid flowers and ferns, as the centerpiece of her table, each guest picking the ripe fruit at pleasure.

When he was worth sixty or seventy millions, Commodore Cornelius Vanderbilt related with pride to a friend that his household establishment did not cost him $10,000 a year. Would $10,000 pay a year's salaries of the chef and kitchen force of the commodore's great-grandson, Mr. Alfred Gwynn Vanderbilt?

There may be ambition among the ultra-rich to shine with particular luster in other ways, as, for instance, through social functions. At one of these — the Leiter ball at Washington — the jewels worn were roundly valued at $15,000,000. What could be closer to regal pomp than the marriage ceremony of Miss Elsie French to Mr. Alfred G. Vanderbilt, or the more recent Goelet-Whelen nuptials? A peculiar feature at one of the later great weddings, indicating — what shall we say, craving for display? — was the exhibition, among the gifts, of the bride's exquisite lingerie!

If "apparel makes the man," then are our rich very kings and queens and princelings. A young New Yorker, now taking up his permanent residence in Great Britain, spent, by common report, $40,000 on a wedding outfit. Mr. Cleveland Moffett estimates that there are 6000 women in New York who spend yearly something more than $6000 each on their bodily garments, making an aggregate of close to $36,000,000 per annum!

I am not condemning great private riches as riches, nor do I wish for a moment to be thought to censure the in some respects commendable use of them. I refer to

the enormous sums spent by individuals in architecture, literature, the arts and in other ways merely to point to the great distance the nation has traveled since, less than a century and a quarter ago, John Hancock won the deep disfavor of many in New England for his "show and extravagance of living."[1] But what did it all amount to — his French and English furniture, his equipages, his clothes, his wines, his dinners, his gay company, his parties, his dances, his musicals and his other festivities? Great as the expense of all this may have seemed then, it is doubtful if Hancock's average yearly expenses equaled half the sum our contemporary, young Mr. James H. Hyde, spent on the single "Louis XV Revel," and for that matter it is likely that the whole of Hancock's fortune did not equal the sum spent by young Mr. Howard Gould on his stone cow house, and his stone chicken house!

Things have, indeed, changed! The earth must now be ransacked for fabrics with which to clothe some of the daughters of the Republic; whereas Martha Washington, when her husband was President of the nation, wore gowns spun under her own roof.

[1] In "John Hancock, His Book," by A. E. Brown, p. 203, will be seen a letter from Hancock to the lady he was about to marry, Miss Dorothy Quincy. The letter is dated Philadelphia, June 10, 1775, and enumerates some articles he is sending her. Imagine a "showy" rich young man of our time confining himself to this simplicity toward his affianced: —

"2 pairs white silk
"4 prs. white thread } Stockings, which I think will fit you.
"1 pr. black satin
"1 pr. black Calem Co. } shoes; the other shall be sent when done.
"1 very pretty light hat.
"1 neat airy summer cloak.
"2 caps.
"1 fan.

"I wish these may please you. I shall he gratified if they do. Pray write me. I will attend to all your commands."

CHAPTER IV

AMUSEMENTS, DISSIPATIONS AND MARITAL RELATIONS

TURN to the amusements of the privileged rich and ask if they run with the customs and habits of the mass of our people.

A despatch from Saratoga last summer told how Mr. John W. Gates, with smiles, lost $10,000 in a six hours' game of faro. Mr. Reginald C. Vanderbilt enjoys the distinction of having lost many times that amount during a single night in a high-priced gambling establishment in New York. To the very rich, either winning or losing is nothing in itself. It can add little to or take little from their wealth. The end sought is stimulation. Those who have a surfeit of all that mere wealth can bring seek change in excitement. And so there is much recourse to gambling of one kind or another, from bridge whist to plain "buck the tiger." [1] "Good-by, my dear," said a lady of quality to a guest, taking her departure from a house party. "So glad you came; enjoyed your company so much — and do remember, dear, you lost a trifle to me at bridge — $300."

What stimulates, or, at any rate, what accompanies this growing passion for card gaming is a passion for the race-track. Our princes not only bet heavily, they are

[1] The very rich may indulge this weakness without fear of ordinary exposure. But those less rich, belonging to what corresponds in England to the middle and the upper middle classes, are not so fortunate. Several select, sumptuously furnished gambling houses for women have been raided by the New York police within the year.

the owners of the biggest and most expensive racing stables, with some horses worth $100,000 apiece. More than that, in New York some of them control the State Racing Commission, which controls the racing. In this way they conduct racing matters, ostensibly to improve the breed of horses, but really as large-scale gambling enterprises, and this in the very teeth of the law.[1] Multitudes of the general public — that is, of the middle class and plain people — attend the races under the auspices of these and other race-track princes, and on the whole they lose, and lose heavily. The race-track princes come in for a handsome share of the winnings.[2]

But other of the princes go there merely for the excitement. They are careless whether they win or lose. They are imbued with something of the reckless spirit of the early California miner, who suggested to another miner, as a test of their relative riches, that each alternately cast twenty-dollar gold pieces into San Francisco Bay until one of them be "cleaned out."

The automobile brought a novelty into racing excitement. In the fall of 1904 the first big race was held —

[1] Act I, Sect. 9, of the Constitution of the State of New York runs: "Nor shall any lottery or the sale of any lottery tickets, pool-selling, bookmaking or any other kind of gambling hereafter be authorized or allowed within this State, and the Legislature shall pass appropriate laws to prevent offenses against any of the provisions of this section." Overtly, at least, this mandate is observed everywhere except on the race-track. Certain corporations have exclusive right by statute to conduct races. These race-track corporations have obtained legislative exemptions or modifications of penalty, so that, while a man caught "making a book" outside of a racing corporation's fence would be sentenced to two years' imprisonment, for doing the same thing inside that fence there is practically no penalty at all. The State Constitution is so much of a dead letter on the racing corporations' grounds that these associations actually sell the right to gamblers to make books on the track. The statute law makes a monopoly of race-track gambling, and gives that monopoly to the race-track associations, controlled by the State Racing Commission.

[2] The New York State Comptroller's report shows that the profits for 1904 of the eight great more or less allied tracks coming under the jurisdiction of the State Racing Commission were $3,805,125.51. This was aside from the huge betting receipts.

the 284-mile international contest on Long Island, for a silver cup offered by Mr. W. K. Vanderbilt, Jr. For the amusement of those conducting and witnessing the race, thirty miles of public roadway were practically closed against general use—proof of the degree to which common rights bend to Privilege! No danger to the public? No, not if the public keep out of the way; but death and destruction to any who get in the way. As it was, one participant was killed outright, another very badly hurt, and for a time paralyzed. Many other fatalities have since attended high speeding. But what of that? There will be such racing and high speeding so long as a craving for excitement exists and finds no other outlet. The very danger involved adds fire to the agitation. Are not jockeys killed every year in the horse races? Does that increase or lessen interest?

Would this imply that our Princes of Privilege have brutal tastes? What I assert is that, lifted above interest in normal things, our princes as a class crave unusual stimulants. So far has this appetite advanced, that women of the privileged order are now seen at prize-fights. Fifty of them were found among the spectators at a private "mill" raided by the police in Brooklyn not long since. Of the three thousand persons who witnessed the six-round "bout" between two prize-ring celebrities in Philadelphia within the year, four hundred were women — women of station in that city. One of them, in a newspaper statement, to which her name was attached, said of her presence there, and the sensations she experienced: —

> I didn't want to go, because I think all such things very brutal; but I was asked, and I didn't want to refuse. So I went, and I am very glad I did. Thinking it over, I feel surprised at myself. But to be candid, from the minute the men started I liked it. There was a funny little shock, a revulsion, at first. But after that the blood began to tingle in one's veins, and one felt alive all over. I'd never go to another prize-fight. But I certainly understand why men like to go.

This is the utterance of a highly respected woman. She spoke so in the face of the fact that, although the fight was only "six rounds" in length, and was declared a "draw" at the end, there was a frightful lot of hard hitting. One man's eye was split open, and both men, bleeding profusely, were smeared with their own and each other's blood. Brutality was there, but it was forgotten in the mad excitement. This was also true of many who attended the gladiatorial fights in Roman days. In his "History of European Morals," Lecky repeats the story related by St. Augustine, how one of the latter's friends, being drawn to the gladiatorial spectacle, endeavored by closing his eyes to guard against a fascination he knew to be sinful. A sudden cry caused him to break his resolution, and he never could withdraw his gaze again.

Mr. Bryce notices (*The Outlook*, March 25, 1905) a change common to all classes, "all the more noticeable in America, because it is there quite recent." This change is "the passion for looking on and reading about athletic sports" — of being, not actors, but mere spectators.

The love of playing and watching games which require strength and skill is as old as mankind, and needs no explanation. So the desire not to play, but to look on at chariot races and gladiatorial combats, was a passion among the people of Rome for many centuries. The circus factions at Constantinople have their place in history, and a bad place it is. But this taste is in America a thing almost of yesterday. It has now grown to vast proportions. It occupies the minds, not only of the youth at the universities, but also of their parents and of the general public. Baseball matches and football matches excite an interest greater than any other public events except the presidential election, and that comes only once in four years.

The interest of the universities is attested by the huge revenues of their athletics. The receipts from athletics at Yale for the fiscal year ending September 30, 1904, aggregated more than $106,000, while the total expenses

were $75,174. And some of the games are essentially brutal, especially football. It appears to be a settled feature of the coaching in the latter game to pick out the most dangerous man on the opposing team, and "put him out" in the first few minutes' play, "putting him out" meaning to injure him in some foul way, so as to incapacitate him from further play.

Nor is the preëminently national game, baseball, free of brutality. If it does not take the form of crippling players, it prejudices pure sport. Association owners engage players to win games by any method, with the intention of getting the biggest possible gate receipts. Polite, generous usages succumb to coarse, brutal hustling. There is unseemly wrangling among players, almost fist fights with umpires, and tolerance of the loosest shoutings from the roughest and most turbulent part of the spectators, who thrive on disorder. Among the colleges there is complaint that many of the best players are practicing deception to evade the amateur restrictions against taking pay, and that they descend to the pay and the hurly-burly of professionalism.

Or with small thought for all this, and finding occupation in other channels, see how some of our princes study and practice what they are pleased to call "The Science of Philanthropy." It really is not a science. It is not effectual, nor can it be. It does not go to fundamentals; it merely touches here and there on the surface. It does not stop the robbery of the masses, the robbery that reduces them to poverty. It simply gives a few sops to them out of the spoil taken from them. If the beneficiaries do not see this, yet it is so. With the best intentions in the world, they can do nothing far-reaching or permanent unless they do justice, and justice means stopping the robbery of some for the enriching of others. With justice in respect to privileges, the practice of "philanthropy" would not be required. With justice not practiced, the "science of philanthropy" can only be a

study of how, in Tolstoy's words, to do "anything for the poor but get off their backs."

What then if the Charity Organization Society of New York, for instance, be built up into a sort of "clearing house to the other charitable societies," enabling those philanthropically disposed to quickly ascertain "what to give and how to give it"? What if the "Tenement Shade Tree Committee of the Tree Planting Association of New York City" line the streets of poor districts with trees? What if Mr. Carnegie appoint a "Hero Commission," and transfer to it from the vast fortune he accumulated through privileges, $5,000,000 in first collateral five per cent. gold bonds of the United States Steel Corporation, the interest of which is to be used by the Commission for the awarding of medals to heroes and pecuniary aid to the injured heroes and the wives and children of those heroes who die? What if Mr. Henry Phipps, for so long a partner in the Carnegie Company, establish tenement houses on a basis of five per cent. income on the investment? What if societies be established to enable "the worthy poor" to pawn their small personal effects at lower than the legal rates? What if hospital beds be endowed, and a thousand other things in themselves more or less good, which "the science of philanthropy" can suggest be done? What of it all? It falls far short of justice, which is all that is needed. But justice is something that Privilege does not and will not see. Many of the privileged pursue "the science of philanthropy" as an intermittent occupation or amusement; some of them, perhaps, as a conscience easer.

And what are the offsets to this seeking for excitement or searching for occupation and peace of mind? Often it is misdirected interest in things. For instance, one lady daily sends her dog out in her victoria for a "constitutional," liveried driver and footman on the box. Another treats her toy spaniel to the opera, on one occasion taking him to hear Caruso. Another has her darling

quadruped massaged, in order that "his spirits may be kept high, and his life may be prolonged." Yet another has the teeth of her pedigreed pet gold-filled, just as the Empress Poppæa had her horse gold-shod, — the horse that the Emperor Nero made consul. Then there are those who choose snakes, lions, pigs and bears for pets.

At other times there is the very madness of inanity: valentine dinners, golden-dish dinners, appendicitis dinners, horseback dinners, monkey dinners, bull and bear dinners, clown dinners and Egyptian desert dinners — the latter given by a New Yorker who lives abroad, the table being set as a miniature desert, where each guest dug up jewels with tiny gold pick and shovel.

A twist is given to the inanity by introduction of the English revival of falconry. Many cotes containing merlins, bastards, bobbies and goshawks are reported to have been set up on large private estates in western New York and the Berkshire Hills within the past two or three years. Then there are colonial fox-hunts and English "squire balls"; also revels and pastoral vapidities, such as were so favored in the dry-rot days of the French court, before ingulfment by the revolution. There are midnight beech parties, wild animal cotillons and vegetable parties, the latter in various ways suggestive of those mindless growths of the earth in imitation of which the participants dress. Perhaps there is a flocking to some such place as Sherry's in New York, to listen to the "melancholy apostle of beauty" descant on "The Mystery of Blue Hydrangeas"; or to some place like Delmonico's to applaud a more matter-of-fact person read from a manuscript book on "Marital Unrest," or another discourse on "How to Get Rid of a Lover."

These are the conditions in which our Princes of Privilege raise their offspring. As in all other courts of princes, flattery, cajolery and temptation fawn, snare and pander. Is it any wonder that pride, slothfulness and self-indulgence seek to possess the princelings?

There are honorable exceptions. Some of the heirs to empires of power choose deliberately to work and to work seriously. There are princelings, however, of a very different kind. Having slipped through college, by some sort of oiled process, they make no pretense of troubling with any more serious business than how to dress in the pink of fashion. If outwardly some are more seriously inclined, their thoughts are not so. I have a princeling in mind who entered a banking house to become fitted to follow his banker-father's footsteps. Though of voting age, his lack of interest in the business qualified him for no better place in the establishment than that of high-class messenger boy. Odd intervals he devoted to study. But what kind of study? To the difficult art of picking horses, to the delicate one of mixing drinks.

For the most part the young scions are not troubling themselves about any kind of industry save that of amusement. They pay $40 or $50 for choice seats at championship fights. They nonchalantly stake large sums on the speed of a horse, the turn of a wheel, the chance of a card.

Time was when the universal habit in the Eastern and Middle States followed St. Paul's precept, "If any will not work, neither shall he eat." There was no such occupation as "gentleman." But in the circle of Privilege this is passing. Where the public marriage license asks for statement of the occupation of the groom, and of the fathers of the contracting parties, more and more frequently the word "gentleman" is written in.

Is it strange, then, that with nothing serious to engage them, and with great riches at their command, these princelings should fall into the arms of deadly dissipations?

And if it is so with the sons of our Princes of Privilege, what of the daughters?

Fifty years ago the keen French observer and commen-

tator, De Tocqueville, paid our women the highest tribute. After citing the fact that adultery was a crime punishable with death in colonial Connecticut and Massachusetts, he said: "If I were asked . . . to what the singular prosperity and growing strength" of the people of the United States "ought mainly to be attributed, I should reply: To the superiority of their women. . . . No free communities ever existed without morals, and morals are the work of women. . . . There is certainly no country in the world where the tie of marriage is more respected than in America, or where conjugal happiness is more highly or worthily appreciated." [1]

This was written before the advent in America of great fortunes from special privileges. Our people then were far, far more homogeneous than they are now. The multimillionaire was very rare, and on the other hand De Tocqueville said he never met with a lackey in the United States; that all regarded themselves as equal citizens of the Commonwealth — as men.[2] Of course an aristocratic feeling did to some degree exist. But it was not marked as to fortune or to outward bearing. De Tocqueville knew of the effects of the fruit of the evil tree of aristocracy on women as well as on men, and he plainly specified them: —

> Among aristocratic nations, birth and fortune make two such different beings of men and women, that they can never be united to each other. Their passions draw them together, but the conditions of society, and the notions suggested by it, prevent them from contracting a permanent and ostensible tie. The necessary consequence is a great number of transient and clandestine connections. Nature secretly avenges herself for the constraint imposed upon her by the laws of man.[3]

Does not this aptly describe much that we see in the "smart set" of our aristocracy of privilege? The old

1 "Democracy in America" (1898), Vol. I, pp. 46, 389, and Vol. II, p. 262.
2 "Democracy in America," Vol. II, pp. 215–217.
3 "Democracy in America," Vol. II, p. 250.

true love, the deep love, the love rooted in respect, seems to be going out of date among our princes. Power, money; money, power: that is the thing most thought of and talked of. Money seeks money in marriage. Or, surrounded by all that money can supply, the daughters of our Princes of Power yearn for the regalia of Princes of Title. Their eyes turn abroad, and many of them marry English, French, German, Austrian, Russian, Italian and Spanish coronets.

There are doubtless among these foreign nobles men of estimable character and parts. But waiving the question of departure from democratic-republican principles, the too frequent tale of infelicity and separation makes such matches as a rule unwholesome. For that matter, nuptial alliances made at home or abroad seem, as a rule, to have much the same result among our Princes of Privilege, — unhappiness, divorce.

A cynic, touching upon superficial aspects, remarks that the prevalence of divorce among the privileged class comes from dancing the fashionable cotillon; that in that dance the young women become fascinated with the idea of changing partners, and they apply it to marriage. One case of rapid change of marital partners filled the press of the country and excited much caustic comment. The sister of Mrs. Reginald Vanderbilt was in the course of fifty minutes divorced from Mr. Arthur T. Kemp and married to Mr. Hollis T. Hunnewell. This occurred at Newport, and Justice Dubois of the Appellate division of the Supreme Court of Rhode Island broke the old and sealed the new bond. Dr. Felix Adler has cited a woman who has been divorced and remarried five times, being twice married and twice divorced from one man.

Now the weakness or sins of divorce in this country are not to be laid solely at the door of Princes of Privilege. We know full well that our churches are profoundly disturbed over the alarming increase of the evil among all

but the very lowest classes of this country. The truth seems to be that divorces are not only more numerous in the United States in proportion to marriages than in any other country showing records, but that they are rapidly increasing.[1] And this increase is occurring in face of the growing stringency of the laws. There were sixty thousand divorces in the United States in 1903.

"Thirty years ago divorce was hardly ever talked about," said Rev. Dr. Leighton Parks recently, from his pulpit in St. Bartholomew's Episcopal church, New York City. "We scarcely knew of a case that had occurred among respectable people. But to-day it has usurped the center of the stage. It is the problem of the novel; it is the subject of conversation at the dinner party; it is talked over between mother and child; it clamors in the police courts; it demands that legislators change the laws; and it confuses the councils of the Church. It would seem at times as if marriage had disappeared, and that the chief human interest was divorce."

So far is this from being an exaggeration that many gravely discuss the feasibility of the proposal made by the veteran English novelist, Mr. George Meredith — that marriage be made a brief-term contract, instead of for life. Others think the marriage and divorce laws should be strengthened, and we find the President of the United States calling the attention of Congress to the "dangerously lax and indifferently administered" divorce laws in some of the States, and expressing the hope that "coöperation among the several States can be secured to the end that there may be enacted upon the subject . . . uniform laws." [2]

Now if divorce is so general and increasing, what is its

[1] According to Mr. W. F. Wilcox in "The Divorce Problem," in 1870 the relation of divorces to marriages was 3.5 per cent; in 1880, 4.8 per cent; in 1890, 6.2 per cent. According to the 1900 United States Census report the proportion of divorces to marriages in 1890 was 5 per cent; in 1900, 7 per cent.

[2] Presidential message, January 30, 1905.

cause? It must be general. It cannot lie in the lack of uniformity or indifferent administration of divorce laws. For, as Mr. Louis F. Post truly observes in a most suggestive little book on the divorce problem,[1] the ceremonial of marriage is not marriage proper, but the "symbol," or "outward proof" of it. The real marriage is the establishing of a relationship of love. Each must be in love with the higher intellectual qualities and the deeper moral impulses of the other.

But it is a part of ancient wisdom that "love flies out of the window when poverty enters the door." So that the continuance of love depends in no small degree upon keeping poverty at a distance. If poverty be not kept away, love may vanish; and with love gone, many of those bound by wedlock will want separation, and many will endeavor to get it either by help of a divorce law, or in spite of it.

That is to say, the prevalence and increase of divorces does not lie primarily in loose divorce laws or lax administration, for if marriage unions were happy, permission freely to separate would have no effect upon the bonds of love. The cause is social. It is the offspring of Privilege, which intoxicates some and kills happiness in others by holding them threateningly upon the brink of ruin. The harassing dread of many even in good circumstances is that in the upheavals and overthrows constantly occurring under present social conditions, they will be reduced to the straits of poverty.

But the Princes of Privilege, while always on the defensive for their special advantages, are little subject to the unhappiness that springs from fear of poverty. The main cause of divorces among them is the antithesis of want or its fear. Their ills are not the lean ills of scarcity, but the fat ills of superabundance. Possessing privileges that lift them in wealth and power above the mass of their fellows,

[1] "Ethical Principles of Marriage and Divorce."

these favored ones are prone to feel more or less exempted from many of the common social rules. Among these exemptions they set various obligations governing matrimony. Increasing numbers enter wedlock lightly; they hold it lightly. They come by degrees to regard themselves as Napoleon said of himself: "I am not an ordinary, but an extraordinary man. Ordinary rules of conduct, therefore, do not apply to me."

And the worst of it is that if open divorces are rapidly increasing, there is graver suspicion that secret connubial inconstancy is still more general. Yet it must be borne in mind that the startling change of manners in the country with respect to happiness, sanctity and permanence of marriage does not arise from any antecedent characteristic, but from Privilege, which harries many into unhappiness and pampers others into false notions.

And just as the marriage tie is coming to be held lightly, so the fruit of marriage is coming to be lightly regarded. There is a diminution in the number of births in the households of our princes.

Yet let us not make false assumptions. Births in the natural order of things, and taken as a whole, cannot occur haphazard. Nature must surely govern generation by law, just as she governs every other province of her vast domains. She appears to bring twenty-one boy babies into the world for every twenty girl babies. Likewise she appears to provide that there shall be increased births when the life of the race is threatened either by sparsity of population or by poverty, disease or other adverse condition in a dense population.

Reversely, Nature seems to provide that when the perpetuity of the race is assured, there shall be diminished births.

This is apart from conscious human direction. It indicates a natural law — a law that accords with and is subordinate to intellectual development. Where intellectual development is low, as in sparse or in slum populations,

Nature begets many children. Where intellectual development is high, as among the classes of material ease and comfort, Nature brings forth fewer children. This is not to say that intellectual development suggests artificial checks on generation. It may; but aside from that, Nature herself, automatically — acting without conscious direction of human will — appears to lessen births, probably by bringing into play subtle differentiations and refinements, and also probably by opening up new realms that invite and absorb the mind's attention.

This appears to be the result where Nature is allowed to take her course. Hence we should expect to find, not invariably, but on the average, more births to a marriage on the lower East Side of New York City than in the better sections. But what we find is more than this. The birth rate on the lower East Side, while high, is normal for that social condition. But there is more than a normal diminution among all the classes above the very poor elsewhere. And this diminution is progressing.

This marked falling off in the rate of births cannot be due to natural causes. Its cause must be artificial. However reluctantly, we are forced to the conclusion of New York State's recent Public Health Commissioner, Dr. Cyrus Edson, and must admit that the cause is "voluntary avoidance and prevention."

To what is this due? With the middle class it is due, I believe, to the cause which is increasing divorces. That cause in most instances is the intensifying financial strain in keeping up with a former, or in rising to a newly conceived, standard of living. Where this is not so, the cause is to be found in the constant heart-racking and mind-racking dread of financial losses, and the deprivations that that would involve. Hence refusal to give "hostages to fortune" in the persons of children.

This practice of "race" or class suicide among what we call our "comfortable classes" in itself denotes anything but a healthy social condition in the Republic. But what

shall we say respecting the diminishing birth-rate among our Princes of Privilege? Their great wealth lifts them above the fear of poverty. With them children would not be "hostages to fortune." There superabundance is assured for the largest families possible. If "voluntary avoidance and prevention" is practiced among the middle classes because of social straits or fear of being reduced to poverty, it would seem to be practiced among the princes for far different reasons. Is the chief one desire for freedom to cast themselves into the arms of frivolity and voluptuous indulgence?

CHAPTER V

ARISTOCRACY A FRUIT OF PRIVILEGE

THE Japanese say, "The cucumber vine will not bear an egg plant." And likewise it is true that the idea of equality cannot spring from privilege. From such a source ideas opposed to equality will come — superiority, exclusiveness, aristocracy.

Land is the basis of an aristocracy, as De Tocqueville, in accord with common view, observes. Other forms of privilege help to create it, but ownership of land is the chief cause. This does not occur where none of the land has a high price and where plenty of good land is to be had for nothing. Only where it is hard to get, where the price of some of it is high, and where its ownership is unequal, does the ownership of land constitute a privilege. For then some, perhaps many, must ask leave of its owners for its use, and must accompany that request with a payment of rent, fixed by competition with others who desire to use it — a competition that intensifies as population grows. At all times and among all peoples in the world's history, those who have owned the land have been the masters of those who were compelled to use it. We retain in the common term "landlord" the early meaning of lord of the land. We have forgotten that many of the names of rank in titled aristocracy arose originally from the tenure of land.

The principle of aristocracy arises from the possession of privilege, and of all its forms the ownership of land is the widest in extent, most potent and most permanent. Even when the start is made from equality of condition, those

who acquire large holdings and become the large landowners become the real ruling class, the possessors of other privileges swelling their numbers.

A realization of this advantage in material circumstances on the part of those possessing it begets the feeling of superiority and the sentiments of aristocracy.

This is not to say that virtue and talents do not bring a preëminence and advantage to their possessors, for they do. Jefferson, corresponding with John Adams on this point, called it a "natural aristocracy, . . . the most precious gift of nature, for the instruction, the trust and the government of society." [1]

But what we are discussing is the opposite of this: an artificial aristocracy "founded," as Jefferson described it, "on wealth and birth, without either virtue or talents . . . a mischievous ingredient in government."

In the early social conditions of the Republic there was, viewed from our standpoint of to-day, little of this artificial aristocracy. It was true that in the colonial days there had been a crownocracy who enjoyed the crown grants, offices and other favors. It finds modern examples in the "Castle Irish" in Dublin, who bask in the sunshine of the Lord Lieutenancy. Among the American Tories, as they were called, were the larger landowners. General Greene was of opinion that they owned at least two-thirds of the land of New York.[2] In Pennsylvania the successors of William Penn, known as the "proprietaries," owned vast tracts.[3] While some of these estates were large, and while these large estate owners then prac-

[1] Letter of October 28, 1813, Jefferson's Writings, Ford Edition, Vol. IX, p. 425.

[2] Whitlock's "Life and Times of Jay," p. 92.

[3] In 1759 Benjamin Franklin was a leader in a popular movement to have proprietary estates taxed in accordance with other landed possessions in Pennsylvania. The proprietaries were only willing under extraordinary circumstances to submit to a tax on their "rents and quit-rents, but not on vacant lands, whether appropriated or not." Franklin's Works, Vol. VII, p. 319.

ticed what they aim to practice everywhere, the evasion of taxes, there was in no sense at that time what nowadays would be called a monopoly of land. Easy and independent subsistence was within the reach of all. As Jefferson said of the country generally: "Here every one may have land to labor for himself, if he chooses; or, preferring the exercise of any other industry, may exact for it such compensation as not only to afford a comfortable subsistence, but wherewith to provide for a cessation from labor in old age. Every one, by his property, or by his satisfactory situation, is interested in the support of law and order." [1] So generally was it the rule for men to be self-supporting and independent that none were encouraged to look to government employment for a living. In proof of this Franklin took occasion once to quote the thirty-sixth article of the Constitution of the State of Pennsylvania, running: "As every freeman, to pursue his independence (if he has not a sufficient estate) ought to have some profession, calling, trade, or farm, whereby he may honestly subsist, there can be no necessity for, nor use in, establishing offices of profit, the usual effects of which are dependence and servility unbecoming freemen, in the possessors and expectants; faction, combination, corruption and disorders among the people. Wherefore, whenever an office through increase of fees or otherwise, becomes so profitable, as to occasion many to apply for it, the profits ought to be lessened by the Legislature." [2]

In connection with this, Franklin said that the typical American of his day "would be more obliged to the genealogist who could prove for him that his ancestors and relations for ten generations had been plowmen, smiths, carpenters, tanners, tinners, weavers, or even shoemakers, and consequently that they were useful members of society, than if he could only prove that they were gentlemen, doing

[1] Jefferson's Writings, Ford Edition, Vol. IX, p. 428.
[2] Franklin's Works, Bigelow Edition, Vol. VIII, pp. 174–175.

nothing of value, but living idly on the labor of others, mere *fruges consumere nati*, and otherwise good for nothing, till by their death their estates, like the carcass of the negro's gentleman hog, come to be *cut up*."[1]

The war of the Revolution distressed many of the American Tories. Some went to England, some to Canada. But a considerable number remained, though by reason of the cutting free of the colonies from the crown, they were, for the time being, reduced to quietness and submissiveness. But they were the main landowners, the possessing element; and if comparatively small, they nurtured within them the seed of an aristocracy, which, with the growth of population, would sprout and give forth a tree larger and stronger than the mere office-holding and favor-obtaining Tory aristocracy that had flourished during the pre-Revolutionary days. Franklin constantly struck at this small but vital spirit of aristocracy of his time. Even toward the end of his life he leveled the shaft of irony against it and its trappings, commencing his will with the words: "I, Benjamin Franklin, printer, late minister Plenipotentiary from the United States of America to the Court of France, now President of the State of Pennsylvania, do make and declare my last will and testament."[2]

These were the early days of the Republic. And even fifty years ago De Tocqueville could say: "Among the novel objects that attracted my attention during my stay in the United States, nothing struck me more forcibly than

[1] Franklin's Works, Vol. VIII, pp. 174–175. Said Franklin ironically: "The people have a saying that God Almighty is himself a mechanic, the greatest in the universe; and he is respected and admired more for the variety, ingenuity and utility of his handiworks, than for the antiquity of his family. They are pleased with the observation of a negro, and frequently mention it, that 'Boccarora' (meaning the white man) 'make de black man workee, make de horse workee, make de ox workee, make eberyting workee; only de hog. He, de hog, no workee; he eat, he drink, he walk about, he go to sleep when he please, he live like a gempleman!'"

[2] Sparks's Franklin, Vol. I, p. 597.

the general equality of condition among the people." [1] At that time, as Dr. Gilman in his introductory to the French observer's writings says: "De Tocqueville came to this country, and found not only political equality, but an absence of noteworthy social distinctions. There was no rich class, no fashionable class; there were no families of inherited importance, no privileged people." [2]

Something must be allowed in the Frenchman's broad statement respecting equality here to the fact that he had come fresh from a land in which were great social distinctions growing out of established privilege, notwithstanding the leveling revolution. He was as a man who, emerging suddenly from a darkened chamber, is dazzled by the blaze of the sunlight. Yet he did realize that the principles of social differences might exist in the United States, even though those differences be small and the line between them be very faint. For he affirmed "that aristocratic or democratic passions may easily be detected at the bottom of all parties, and that, although they escape a superficial observation, they are the main point and soul of every faction in the United States." [3]

As we have seen, a powerful class has arisen in the United States from possessing of land and other government-made or government-approved advantages. The Federal Constitution from the beginning declared that "no title of nobility shall be granted by the United States; and no person holding any office of profit and trust under them shall, without the consent of the Congress, accept of any present, emolument, office, or title of any kind whatever, from any king, prince, or foreign state." [4] "A rose by any other name would smell as sweet." So the causes of aristocracy existing, its results will appear, even if under other outward attributes than those of titled nobility.

[1] "Democracy in America," Vol. I, p. xlii.
[2] *Ibid.*, Vol. I, p. xlii.
[3] *Ibid.*, Vol. I, p. 227.
[4] Art. I, Sec. 9, Clause 7.

Mr. Bryce notes one aspect of this. He asserts that the railroads particularly "illustrate two tendencies specially conspicuous in America — the power of the principle of association [at core privilege], which makes commercial corporations, skillfully handled, formidable to individual men; and the way in which the principle of monarchy, banished from the field of government, creeps back again and asserts its strength in the scarcely less momentous contests of industry and finance." [1]

And winning in what Mr. Bryce calls the "contests of industry and finance" (which might better be called "monopoly and finance"), they acquire the power of aristocrats, if devoid of the garnishings. Professor Bascom of Williams College fearlessly utters a clear word on this point: —

> The multi-millionaire cannot be the member of a free state, on equal terms with his fellow-citizens. This would be true under any circumstances, but it is still more true when this wealth has been acquired in abuse and in defiance of economic and civil law. This additional fact shows that the tyrannical temper is present, which, opportunity favoring, will disregard all rights in behalf of personal power. We can but predict that the next generation is threatened with a still greater perversion of the conditions which belong to a free and democratic community.[2]

President Wheeler of the University of California, in a recent address on "The Abundant Life," becomes still more specific, saying: —

> One of the saddest features of lives pursued by wealth consists in isolation from humanity. People who maintain steam yachts and dine Frenchfully at night and flit between Lenox and Newport and Palm Beach and Homburg are naturally and automatically driven into the society of the like conditioned and bound there. Their sons attend the same expensive academies, their daughters are polished off at the same élite schools, their sons and daughters meet together, and they intermarry and interdivorce, and the caste of the great rich emerges. Sound judgment and clear perspective in the motives and movements of human life are seldom found among these people of the caste who drag the golden ball and chain.

[1] "The American Commonwealth," Vol. II, p. 532.
[2] "Social Forecast," *The Independent*, March 30, 1905.

Are not evidences of these things to be seen on every hand? "One of the most noticeable features of the alteration in the United States is financial," observes Madame Waddington, wife of the late diplomat and ex-premier of France. She said this after an absence of thirty-eight years from New York, where she had been known as Miss Mary Alsop King, daughter of the at one time President King of Columbia College. "Several times my different friends," she continued, "in driving on the avenue, or while dining, or at the opera, or the theater, have pointed out to me the notables. Here was a steel king, there a railway king, over yonder a shipbuilding king, farther away a cattle king, or a mining king, while Wall Street kings were so numerous as to be a rule rather than an exception. My interest soon turned to dismay. Was this really America — a Republic? Were there no persons worth pointing out except financial magnates, millionaires? Had America no artists, scholars, poets, thinkers — men who work and think otherwise than in terms of dollars and cents? It was disappointing, depressing. Why," with a change of tone for the merrier, "my family contained about the only Kings in the city forty years ago. But now America has more kings to the square inch than Europe has to the square mile. And a Republic! *Je vis en espoir.*" [1]

Yes, and others live in hope, too. Yet listen to these words: "I do not believe in equality; it would never do. We are coming more and more to have an aristocracy and a common people. I do not believe in being too democratic. Europe is older than we, and she cannot get along without the different classes."

This is the utterance of a social leader in Newport and New York, whose husband is very rich in railroad and other government-made and sanctioned privileges. She realizes that she and her family are rich from those privileges,

[1] Signed article by William Griffith, *New York Times*, Dec. 18, 1904.

although perhaps she does not choose to call them privileges. In the eyes of the statute laws and the construing by the courts they are rights. She herself may call them ethical rights, too, and may think them as sound and defensible in ethics as true rights. Starting from such premises, what more natural conclusion than that there is a natural division of the people into two classes: the aristocratic, embracing those who possess the major portion of the wealth, and consequently command the affluent surroundings and the culture; and the common people, embracing the mass of the population who, as it were, live from hand to mouth, all of them in trouble and strife, multitudes of them in want and brutishness?

And so it is that in a little book entitled "The Ultra-fashionable Peerage of America," a votary of Newport and New York society, Rev. C. W. de Lyon Nichols, formerly pastor of a fashionable Episcopal church in New York, says, "Almost within a decade there has sprung up in our free, democratic United States an exclusive social caste, as valid at certain European courts as an hereditary titled aristocracy — a powerful class of ultra-fashionable multi-millionaires, who, at their present rate of ascendency, bid fair to patronize royalty itself."

This observer divides the American peerage into five different grades, as follows: (1) the ultra-smart One Hundred and Fifty; (2) the Four Hundred, supplemented by a limited few of the fashionable folk of the provincial cities and towns; (3) the outer fringe of the Four Hundred; (4) the Colonial and Knickerbocker families; (5) the wealthy upper-middle class — society in the crude.

If this is an exaggerated picture of what we may under the circumstances call the "upper class" conditions in this country, it is none the less illuminating. The existence of privilege, born of governmental favor, has differentiated our population into social classes as truly as that in India there are high-caste Brahmans and low-caste Brahmans.

What difference is there, save at a few functions, between

the outward trappings of our very rich and the titular princelings and nobles of Europe? And then behold our marriage alliances, as between noble houses. A century and a quarter ago we cut away from the monarchical idea with all its paraphernalia. But as a bright young English democrat ironically said, when visiting the Boston State House and viewing the British flags taken during the Revolutionary struggle: "We English are evening off that account now by having our peers marry your heiresses." Is it not a common social ambition for a superwealthy American daughter to wed a foreign coronet, regardless of the once predominant, all but universal democratic-republican principles among our women as well as our men? And are not many of these alliances made regardless of gambling and even worse reputations? "We are doing our best with our outworn and decadent institutions," remarks an English newspaper sarcastically. "The House of Lords is getting a good many American mothers."

But what of it? It is, as Professor Goldwin Smith has remarked, useless to rail at a class for following its natural bent. He continues: —

> Multi-millionairism does not more. Its luxury and ostentation are as natural as they are conspicuous. A famous ball bespoke at once its profuse magnificence and its disregard of democratic sentiment. At heart it sighs for a court and for aristocracy. It is even introducing the powder-headed footman, while he is going out of fashion in England. Its social center is shifting more and more from the United States to monarchical and aristocratic England, where it can take hold on the mantle of high society, get more homage and subserviency for its wealth, hope perhaps in the end to win its way to the circle of royalty, and, if it becomes naturalized, to obtain a knighthood or even a peerage. It barters the hands of its daughters and its millions for aristocratic connection. One of its leading members has just abandoned his native country for the country of his class, while he continues to draw a royal income from the industry of New York. Its growth on the body politic may be, as we are told it is, the operation of natural law. But so are growths on the physical body, against which, nevertheless, we guard.[1]

[1] Essay, "Republic or Empire?"

It is probably an overstatement to say, although it has frequently been said, that the Royal College of Arms in London is mainly supported by fees from rich Americans, endeavoring to trace their aristocracy back to titled stock. Nevertheless it is true that much money is really spent by Americans in seeking out ancestral crests and coats of arms. Through one of our daily press we are informed by "an English authority" that "in the United States of America the machinery for the purpose of tracing pedigrees is much more complete and more easily available than in any other country of the world." Indeed we now have two works that vie for appellation of the American Burke's Peerage. One is "Matthews's American Armoury and Blue Book," edited and published by John Matthews of London. The other is "Crozier's General Armoury; a Register of American Families entitled to Coat Armour," published by the New York Genealogical Association. The Crozier work offers descriptions of approximately two thousand coats of arms belonging to American families, with the name of the first of each of such families, the date of his arrival and place of settlement, and perhaps the town or country whence he came.

It is obvious that the family names of many of our new rich do not appear in this heraldic list. Hence perhaps some of the spirit expended to form associations of Sons and Daughters of the Revolution and the like. But such hierarchies of exclusiveness might be quite cast in the shade by the formation of a Society of Sons, Daughters, Wives, Fathers-in-law, Mothers-in-law, Sisters-in-law, Cousins-in-law and Aunts-in-law of Nobility.

How far has been the departure from Franklin's [1] typical American, who would be more obliged to the genealogist for proving him a descendant of a line of plowmen,

[1] For that matter Franklin himself is going out of date with many who claim a right to exclusiveness. He has been declared by some of the authorities of the Society of Colonial Dames to be not an eligible "ascendant" for membership in that body.

mechanics, or tradesmen, than from a line of mere "gentlemen," who do nothing![1]

We more and more hear of social censure of "persons in trade," and one social queen barely passes the social bars by the fact that while the family forebear in the country was a "tradesman," he "sold pearls and diamonds," which is far different from selling carrots, cloth or rat-traps. And there was a distinct division of opinion over the action of the widowed Mrs. Ten Millions in publicly refusing to give consent to her son's espousal of Miss Charming of only Ten Thousands. While of irreproachable personal and family reputation, Miss Charming and her people were regarded as "social inferiors."

If any should deny that we have come to social gradations more or less distinct, the liveried and even powdered servants would confront him. Nowadays there is a positive fashion in personal ailments, and Mrs. Overwrought Magnificent or her fascinating but politely wearied daughter cannot cross the room for a drink of water, but must ring for a maid and have her bring it.

"The Americans never use the word 'peasant,'" said De Tocqueville, "because they have no idea of the class which that term denotes."[2] Nor do the body of Americans use the word now. But it is heard frequently enough in "exclusive circles," along with the term "tenantry."

This is in the order of things. Privilege begets in its possessors a feeling and an assertion of superiority. As Bentham has said: "Wherever there is an aristocracy, public sentiment is the child of that aristocracy." And since our Princes of Privilege constitute a real if untitled aristocracy, we must expect its offspring.

Much has been said of late about the introduction of un-American ways at the capital city of the nation, and

[1] Justice Darling, of the King's Bench, during a trial in London recently decided that following the definition of the Herald's College, a gentleman is a man who himself and whose father and grandfather were entitled to bear a coat of arms.

[2] "Democracy in America," Vol. I, p. 406.

especially at the Executive Mansion. These remarks may in the main be ascribed to unfriendly partisan supersensitiveness or to the kind of democratic-republican squeamishness that converts mere matters of personal taste into heinous departure from the virtue, wisdom and simplicity of the fathers. It is true that now, when the President enters a general reception chamber all present of both sexes are expected to rise and remain standing; that the President, giving a formal dinner, does not take a lady on his arm to the table, after the time-worn usage of other American hosts, but proceeds alone; that unofficial as well as official Washington now construes a request of the President to be a command. It is also true that a kind of livery is now worn by some of the White House attendants, and that it was not put upon all, even the clerks, owing to an outcry of alarm and disgust. Moreover it seems now to be necessary for a diplomat when calling at the White House officially to go clad in much of his regalia, instead as of yore, in the simple habit of a civilian; and that the first entrance and the final departure of such representative of a foreign Government is accompanied by the thunderous escort of a squadron of cavalry.

All this rests upon the charm that picturesqueness and display have for the citizen who has been elected to occupy the presidential chair at this time. Doubtless in the opinion of some it lends verisimilitude and reality to an exalted office, which, but for such garnishing, would seem badly furnished indeed. But it is neither written in the laws nor crystallized in custom. It rests only upon the passing pleasure of the present occupant of the White House. To-morrow another citizen will be called to that place. To it he will perhaps bring very different views respecting such matters. Perhaps he may think them too trivial to call for more consideration of an executive of a nation of nearly eighty millions of people than to blot them out of thought.

This we may answer to partisan citizens and overzealous patriotism. Yet it may seem to be curiously coincident with the larger and deeper social formalization and segregation into classes or castes that are going on through the body of the nation, being accompanied by anomalous attempts of some of our ambassadors to foreign courts to get into the whirl of pomp and paraphernalia of royal assemblages by arraying themselves in bedecked and bespangled clothes, unlike even United States military plumage, and utterly out of keeping with the dress of the President of the Republic, which is simply that of an American gentleman in private life.[1]

And it might also be said in passing reference to President Roosevelt's military escorts and his steps to centralize the military arm of the Government and to build up the naval arm, that professional soldiers are not prone to democracy. De Tocqueville descants on the aristocratic tendencies of armies in democracies.[2] And in keeping with this, one of our admirals thinks so lightly of the right of suffrage that he has not voted in many years and has rather boastfully proclaimed the fact; while one of our major-generals has propounded the doctrine that young army officers should not be allowed to marry without permission of the War Department, and ought to be forbidden

[1] In 1853 the State Department issued a "circular of instruction" to our representatives abroad commending to them "the simple dress of an American citizen." It expressed regret that there had ever been a departure in this respect from "the example of Dr. Franklin," and said that "each of our representatives in other countries will be left to regulate the matter according to his own sense of propriety, and with a due respect to the views of his own Government, as herein expressed." Some of our diplomatic representatives have construed this to mean that they were at liberty to follow their own inclinations as to dress in foreign countries. As a consequence, Mr. Whitelaw Reid donned silk knee-breeches at Edward VII's coronation in London, and Ambassador McCormick at St. Petersburg and Ambassador Charlemagne Tower at Berlin let loose their fertile fancies, devising and wearing dark blue uniforms, trimmed with gold buttons and gold lace, accompanying this with sword and black hat with a white ostrich feather.

[2] "Democracy in America," Vol. II, p. 326.

to take wives who are not rich, unless the bridegrooms have means beyond their pay, so as to live in a style according with their social station. And in a speech before the Democratic Presidential Convention at St. Louis in 1904, Captain Richard Pearson Hobson, the hero of the Merrimac exploit at Santiago in the Spanish War, declared that "intelligence must govern," with what appeared to be an intimation that intelligence was confined to the more or less select.

Can such sentiments be unnatural in men reared as the officers of our regular army and navy are? Taken for life under the Federal Government's care and expense before they are of voting age, given the highest technical training in its military and naval academies, on graduation given command without having, like the common soldier, to begin in the ranks, or like the common sailor, to "go through the hawse hole," disciplined to take and to give arbitrary orders and taught that martial law supersedes all civil procedure, it would be remarkable, indeed, if these men should not have a secret contempt for the common people and a disdain for the trammels and restraints of civil law.

But these things pass out of mind in light of the graver matter of the suffrage. We shall later consider this more fully in relation to politics. But some attention is required here.

In his first annual message to Congress, in 1861, President Lincoln pointed out that "the insurgents," in "the most grave and maturely considered public documents" relative to their secession Government, boldly advocated "the abridgment of the existing right of suffrage and the denial of the people of all right to participate in the selection of public offices except the legislative, with labored arguments to prove that large control of the people in government is the source of all political evil. Monarchy itself is sometimes hinted at as a possible refuge from the power of the people." Said he: "In my present position I

could scarcely be justified were I to omit raising a warning voice against this approach of returning despotism." [1]

The old slavery argument was that the black man was by nature inferior to the white man, and, therefore, of course, could not be the white man's equal; that the black could, however, be reclaimed from barbarism by association with the white man, learning the ways of Christianity from the white man and working for the white man. But the black man must not be taught to read or write, for that might beget in him a discontented and rebellious spirit. As for giving him the suffrage, only crazy fanatics would be so foolish as to speak of it.

And now, with the bloody Civil War over slavery forty years gone, we see that the black citizen — by an amendment of the Federal Constitution enfranchised equally with the white citizen — is as systematically in the South deprived of his right to vote. And not merely this. There is a distinct and strengthening sentiment in the North to disfranchise large bodies of white voters. In the South the race question largely intervenes. The white man is determined to rule over the mingled population of whites and blacks. In the North there is a growing despair of making political head against the swelling "criminal class." How often do we see reflected in the newspapers the belief that the only way to clear our politics of its corrupt and rotten elements is to "eliminate the ignorant and vicious vote to a large extent." Every now and again a strong voice comes from the pulpit, as for instance this: —

> I know there are many who enter the twentieth century with unspeakable regret that manhood suffrage was ever adopted, who believe that we ought to have educational or property qualifications; who consider that American citizenship has become too cheap; that myriads of votes represent nothing but ignorance, passion and appetite; that we have a great lowest class which always votes wrong; that candidates and party organs are constantly stultified by necessary appeals to this degraded and purchasable vote. There are

[1] "Messages and Papers of the Presidents," Vol. VI, pp. 56–57.

plenty of our wisest and best citizens who would like to do for the slums what the South is doing for the negroes — just quietly relieve them of the burden of government.[1]

Politicians generally are very cautious about having anything to do with such views. Yet once in a while a voice rings out for restricted suffrage even in the political field. Such was the case during the Low-Shepard mayoralty contest in New York in 1901. Abram S. Hewitt disparaged "universal suffrage" for the government of large aggregations of men, saying that "most statesmen and the best thinkers of the day . . . agree that municipal government is a matter of business and not of general politics. They think that ignorance should be excluded from control and that the city business should be carried on by trained experts selected upon some other principle than popular suffrage." In this view Mr. Hewitt said he concurred.

Mr. Hewitt was a wealthy man, had been member of Congress for a number of terms, also mayor of New York, and on his death, not long following this statement on the suffrage, he was declared by the Chamber of Commerce of New York to have been the city's first citizen. His open declaration for a restricted suffrage stunned the body of the people and put the political world in a ferment, but it was nothing more than a simple avowal of the state of mind of many in his walk of life.[2]

Akin to this attack on popular suffrage is the attack on trial by jury. Until now we have been taught that the latter principle is one of the stones in the arch of our liberties. But now we are told, as by Professor Alfred Nerinex, of the Chair of Law in the University of Louvain, Belgium, in an address before the congress of lawyers at

[1] Report of a sermon by Rev. Dr. W. S. Crowe, Universalist Church of the Eternal Hope, New York, Nov. 25, 1900.

[2] This utterance, coming from so prominent a man in the community in the last days of the canvass, made a political sensation, as the files of the New York daily papers of Nov. 3 and 4, 1901, will show.

the St. Louis Exposition, that, speaking of civil suits, "when you cannot get men of high standing in the community for jurymen, you get men of lower tenor, whose judgment cannot be depended upon." This is not the average viewpoint, but the superior one. Often are just such sentiments heard nowadays in private conversation in this country. Those who adjudge themselves wise distrust the "ignorant and criminal classes."

Among those sharing this distrust is Secretary of War Taft, who, while on the Federal bench, was an able exponent and developer of the injunction principle in labor disputes.[1] In an address at the anniversary of the Yale law school in June, 1905, he broadly intimated that the principle of jury trial in civil cases was on trial in our extra-constitutional dependencies, Porto Rico and the Philippines. It is only a step from jury trial in civil suits to jury trial in criminal cases; and it is only one more step from the ignorant Porto Rican and the ignorant Filipino to the ignorant and criminal among our own people, for if the one may justly or for any reason of policy be deprived of the benefits of jury trial, so may the other.

Secretary Taft seems mentally to have taken those steps, for in his Yale address he said: "I grieve for my country to say that the administration of the criminal laws in all the states of the Union (there may be one or two exceptions) is a disgrace to our civilization." He cited the extraordinary increase in murders and homicides of late years,[2] and proposed as a cure — what? To bring about conditions that should lessen crime? No; to clap the cover down tighter on it. He proposed, first, to abolish or limit the "right of criminal appeal"; and second,

[1] See Book V, Chap. II.

[2] Since 1885 in the United States there have been 131,951 murders and homicides, and there have been 2286 executions. In 1885 the number of murders was 1808. In 1904 it had increased to 8482. The number of executions in 1885 was 108. In 1904 the number was 116. . . . As murder is on the increase, so are all the offenses of the felony class. — Secretary Taft's Yale address, June, 1905.

to remove all peremptory challenges and to empower the court to "advise the jury" — which in a little while would mean, as we may know from the aggressions of the courts in other directions, to command the jury. And this must also be noted, that with all the depreciation of the jury system by those deeming themselves qualified by intelligence and other circumstances to be competent to pass upon such matters, nothing is said against the grand jury, that relic of nobility. The only clear reason for this is that the "ignorant and criminal" classes are ineligible for service there. Property qualifications are required. Only persons possessing a prescribed amount of property can serve; and on *ex parte* statements, they can make or refuse to make presentments, bring or refuse to bring indictments. Since class distinctions have come to be drawn relatively to the wealth and the privileges possessed, the grand jury is becoming — has become — a class institution, not accessible to the poor, the common man.

What does all this mean but the very spirit of aristocracy? To say that the best way to promote upright government is to take the vote and jury trial from the ignorant and vicious is much like saying, as some do, that the way to lessen the criminal class is physically to unfit them from propagating their kind. Does it occur to such people to ask what generates the ignorant and vicious class?

Are some human beings made so different from others that they like ignorance and viciousness from their birth and, if possible, would select it as a matter of choice? Or are the ignorant and vicious, ignorant and vicious because they are poor? Poverty is a great breeder of misery; ignorance and vice are the handmaidens of such misery. What sinks the multitude in the slough of involuntary poverty? Precisely that which exalts others to the heights of superabundance — privilege. It robs the many to lavish the spoils upon a few. The judgment of him who benefits is warped by the transaction. He shuts his eyes to the real source of his riches and tells himself that they come natu-

rally and without favor that any other man has not equal chance to enjoy. This brings him to the comfortable conclusion that he is materially better off because he is more intelligent and wiser than others. The pronouncement then goes forth: "Intelligence must govern."

Thus Privilege robs the poor man of his bread and then of his vote and right of jury trial. If this is not chattel slavery, it is the equally bad *slavery of circumstances.*

Abraham Lincoln said that no man is good enough to govern another man without that other's consent. Henry Clay in a speech in Congress in 1818 said that "it is the doctrine of thrones that man is too ignorant to govern himself."

As will be seen more fully in later chapters, the real directors and, therefore, rulers in politics to-day are to large extent not the masses of the people. Privilege, in the form of monopoly corporations and vested interests, is too often the dominant power. It shapes, passes or thwarts legislation. It does this in favor of the few and in spite of popular suffrage. It comes to regard this arrogated power as not merely wise, but right. As a consequence, it seeks to reduce the plain people from their place of equal citizens to that of governed workers.

BOOK III

VICTIMS OF PRIVILEGE

Want makes men misdo ; and hunger drives the wolf out of the forest.

— FRANÇOIS VILLON.

Tis'n them as 'as munny as breaks into 'ouses an' steals,
Them as 'as coats to their backs an' taakes their regular meals.
Noa, but it's them as never knaws wheer a meal's to be 'ad.
Taake my word for it, Sammy, the poor in a loomp is bad.

— TENNYSON.

CHAPTER I

DESPOILMENT OF THE MASSES

WHAT makes privileges springing from governmental enactment or sanction a double evil is that while they exalt the few to superabundant, intoxicating riches, they sink the many into hope-killing, brutalizing poverty. For, as we have seen, these privileges are in effect nothing less than private laws enabling some to appropriate from others. Privilege is essentially a power of appropriation, which robs some into riches and others into poverty. We have considered riches. Let us consider the other side — poverty.

A few generations ago there was such abundance of unappropriated land that any who wanted it could sooner or later have a farm. The wages of those who preferred to work in one way or another in the villages, towns and cities were high, depending, as the rate of wages must always depend, upon what such men could earn at the margin of cultivation; that is, from the best land which could be had without the payment of rent. If for a time more could be earned by laborers in selling their services to another than by going upon free land and employing themselves, then the flow of laborers would tend toward the selling of their services. When the greater gain was to be had by working for themselves, then the tendency was to take up land and work it. Hence there was and always must be a close relationship between the wages for which a laborer will part with his services to another and the wages he can earn by applying his powers directly to

nature without intervention of another; that is, without payment of rent.

If the land free to him is fertile and accessible for agriculture, his efforts will bring him large results. If it is rich with desirable minerals, easy to work and accessible, his efforts will be rewarded still more largely. If these free natural opportunities are plentiful, wages generally must be high; for, with everything else equal, no one will take less for his labor than he can obtain by it on the best free land open to him.

As long as there seemed to be a large supply of free land in the United States few thought it of moment to consider what might happen when the supply gave out. At the time of the establishment of the Republic a sparse population scattered along the Atlantic seaboard. Westward lay the vast, unexplored continent. To populate that seemed to Thomas Jefferson a matter of centuries.[1] At first efforts were made to restrict appropriations to small quantities, and those to actual settlers. And so easy was it for the man of little means to get land that there was no practice of renting as late as 1850, De Tocqueville testifying, "In America there are, properly speaking, no farming tenants; every one owns the ground he tills." [2]

But behold the startling state of things that now confronts us. Estimates based upon Federal census statistics indicate that in 1900 only thirty-one per cent. of the families of the United States owned homes or farms free and clear of debt. Another fifteen per cent. owned homes and farms that were encumbered; while fifty-four per cent., or more than half the families, were paying rent. Indeed, it is considered that two thirds of the mortgagees are really tenants, so that practically only seven twentieths are really owners of homes and farms. Professor J. G. Collins, engaged in the 1890 census work, computed that

[1] See Letter to Madison, written from Paris Dec. 20, 1787; Jefferson's Writings, Ford Edition, Vol. IV, pp. 479–480.

[2] "Democracy in America," Chap. VI (Vol. II, p. 226).

about ten per cent. of the total population owned or controlled approximately ninety per cent. of the total land values of the nation.[1]

That is to say, the great "open West" has been appropriated, save the Indian reservations, for which there are mad "sooner" and "boomer" rushes whenever the General Government, removing the Indians, opens parts to homestead entry and settlement.

Not that all this vast territory is settled and in use. Far from it. There are thousands upon thousands of square miles of productive, accessible land that would yield bountifully to labor.[2] But it is not used. It is preëmpted and belongs to this or that individual, who chooses to hold it, not for use, but for what it will bring its owners when the increasing population has made a greater demand for it. The owners ask for its present use a price based upon their expectation of its value for the future. Vast quantities of unused land can be had, but not from the Government, and free, as of yore. It is to be had only from private owners and on the payment of a price — a price that the growing needs of the community and the monopoly power of speculation is constantly augmenting.

Since the lowest wages that laborers in the United States will accept rest upon what they can earn from land at the margin of cultivation, and if all the land here is appropri-

[1] Statistics relating to this and kindred subjects are compiled in condensed and very suggestive form in a little indexed work entitled "Free America," by Bolton Hall. Also see "Abstract of the Twelfth Census," pp. 30–31.

[2] What may be done with a patch of ground and the new life that this may awaken is to be witnessed in the operations of the vacant lot cultivation charitable societies in any of our large cities. Men, women and children from the densest of the poor quarters are, under supervision, permitted to earn what they may by the cultivation of a few square feet of accessible land, otherwise kept idle by speculation. The anecdotes related in reports of these associations are most pathetic. The Philadelphia association report for 1904 says: "One of the best gardens from the standpoint of value of produce, as well as for the many varieties of product it contains and the artistic arrangement, was worked by a man who had but one arm."

ated and bears a price, the basis of wages must be what such laborers could draw by their labor from free land in some other country that is most easily accessible.[1] If such other country containing free land be far removed, the rate of wages in the United States must to that degree fall.

The simple remedy for this speculation in land is taxation — the removal of all taxes from production and its fruits, and the concentration of the whole tax burden in a single tax on the value of land, irrespective of improvements. This would compel the payment of taxes on the value of land whether such land were used or not. It would cut the heart out of land speculation. Monopolized tracts would be thrown open to users. The speculative value of land would be destroyed. Much good land would become free again. The general rate of wages, depending upon what laborers can earn from free land, would advance.

I shall treat of this more fully later on. I briefly refer to it here in order to relieve the reader from any thought that, because I present a somber picture of social and political conditions in the United States, I am wrapped in pessimism.

Jefferson said that our people would continue "independent and moral . . . so long as there are vacant lands [meaning unappropriated lands] for them to resort to"; because whenever it should be attempted by the other classes to reduce them to the minimum of subsistence they would "quit their trade and go to laboring the earth."[2] In another place he declared it his belief that "our Governments" [meaning State as well as Federal] would remain virtuous as long as there were "vacant [unappropriated] lands in any part of America." And looking forward to what appeared to him to be the remote future, he said:

[1] I am not here considering the united action of laborers. Trade unions can and do force advances in wages, which in the end must be deducted from speculative rent.

[2] Letter to J. Lithgow, Jefferson's Writings, Ford Edition, Vol. III, p. 269, note.

"When our people get piled upon one another in large cities, as in Europe, they will become corrupt, as in Europe." [1]

Have we not now reached that state of things which Jefferson thought so remote?

The effect of the appropriation of all the free land and of the general advancement in the price of land by speculation has been to slacken the growth and in some places actually lessen the population of the rural districts, and, on the other hand, to quicken the growth of the cities.[2]

Census figures appear on their face to show that the large agricultural holdings are being subdivided and that there is a pretty steady decrease in the size of the farms. This is against common observation, one of the clearest of facts being the absorption of great areas in the West and Middle West through foreclosure by mortgage companies. The truth is that, in respect to the size of farms, each census has been conducted on different lines. Marked variations have been made relative to the things included and excluded from the classifications. This makes comparisons of the several censuses on the size of farms of little value.[3]

All this means, obviously, that so far as the farming population is concerned, the tenant class is rapidly increasing, and that many of that tenant class is being forced into the cities.

[1] Letter to James Madison, from Paris, Jefferson's Writings, Ford Edition, Vol. IV, p. 479.

[2] According to the "Abstract of the Twelfth Census" (p. 100), while the general population increased eighteen per cent. from 1890 to 1900, that of 160 cities of the United States having 25,000 or more inhabitants within the same decade increased thirty-two per cent. Indeed, while during the eleven decades from 1790 to 1900 the rural population increased thirteen fold, the urban population increased two hundred and twenty fold.

[3] My father, as early as 1883, drew attention to the absurdity of the census comparisons respecting the average size of farms. See Chap. V, "The March of Concentration," of Henry George's "Social Problems," in which is also published an appendix correspondence on the subject with General Francis A. Walker, Superintendent of the Ninth and Tenth Censuses. Somewhat similar examinations of the Eleventh and Twelfth Censuses have been made by Mr. Henry L. Bliss. See signed articles in *The Public*, Chicago, April 16 and May 7, 1904.

And below the tenant class is the class of hired laborers — the "hands." More and more of these hired laborers are being fixed to that condition for life, which President Lincoln, in one of his messages to Congress, asserted was not the case at the Civil War period.[1]

Not only this. It also means the creation in increasing numbers of those who, tramping about for a chance to work and finding nowhere fixed employment, lose the fire of ambition, then hope, and are reduced at last to a state of vagabondage. The Western country, whose broad, fertile, idle acres call for men, contains thousands upon thousands of tramps. A dog-in-the-manger monopolization keeps acres and laborers apart, putting more and more roving pariahs on the public highways.

It calls to mind the biting words of John Moore in the seventeenth century, when describing a similar tyranny of conditions in his day: —

> Shame it is for any Christian society, city or town, to take no more care for the poor than they be forced to beg. But how great a shame is it for a gospel magistracy not to suppress make-beggars, which make such swarms of beggars in counties, cities and towns. I cannot but lift up my voice like a trumpet, and tell these make-beggars their sins, and these greedy gripes their transgressions. They care not how many beggars they make so themselves may be gentlemen, nor how many poor they make so themselves may be rich. I mean the unsociable, covetous, greedy broods of those wretches who, by their inclosures, do un-people towns and un-corn fields. Question many of our beggars that go about from door to

[1] Lincoln indignantly denied this assumption of the proslavery advocates. See his First Annual Message to Congress, dated Dec 3, 1861, "Messages and Papers of the Presidents," Vol. VI, pp. 57–58. Alabama and Georgia have recently revealed an extensive condition of negro peonage systematically practiced by irresponsible justices of the peace, who, for the most trivial debts and often on trumped-up charges of debt, have been selling negro men and women into protracted service that amounted to a kind of slavery. This was done in defiance of the spirit of the Thirteenth Amendment of the Federal Constitution against servitude and against the express letter of Secs. 5526 and 5527 of the Revised Statutes of the United States against every condition of peonage. The Federal authorities and courts have recently been laying a heavy hand on the practice. See "Peonage in America," by Herbert D. Ward, *Cosmopolitan*, August, 1905.

door, where they dwell, and why they go a-begging. "Alas, Master," say they, "we were forced out of such a town when it was inclosed, and since we have continued a generation of beggars."

Nor is this state of things confined to the agricultural regions of the country. If different in some of its forms, it is true in the great timber regions, where the lumber and wood-pulp paper combinations are forming closer and closer monopolies. It is true in the grazing districts, where for the old-time rate of wages a very much higher class of laborer is now to be had.[1] It is true in our mining fields. The wages of miners, taking the country as a whole, are to-day notoriously lower than they were a few generations ago. If there have been advances in wages and reductions in hours in some fields relatively to those existing ten or fifteen years ago, the betterment has been wrought by the strengthening of the trade unions, who, more nearly controlling the supply of labor there, have forced better terms in its sale.

But, on the whole, working conditions in America have hardened. If we are to take as conclusive the testimony of President John Mitchell of the coal miners' organization, the United Mine Workers of America, we must decide that the very great majority of workmen can, as social conditions exist, have no hope of rising above that condition of life. In the preface of his book, "Organized Labor," Mr. Mitchell says: "The average wage-earner has made up his mind that he must remain a wage-earner. He has given up a hope of a kingdom to come, where he himself will be a capitalist; and he asks that the reward for his work be given to him as a workingman."

[1] Conversing recently with a large cattle raiser in the "Panhandle" of Texas, I learned that the rate of wages was about "$25 and found," that this had been the rate of wages for some years, but that, whereas only Mexican greasers could years ago be had, now a lot of bright young Eastern men, some of them college-bred, were coming into the country and were glad to get the employment on those terms. My informant also testified to the fact that, notwithstanding this infusion of better laborers, there was no lowering of the rate of insanity that the solitary life generates among the sheep herders.

Little wonder that Mr. Mitchell says this. Mr. Thomas G. Shearman sixteen years ago called public attention to the census showing that "more than four fifths of the working people of this country had incomes of less than $300 a year." He supported this with Ohio State Reports, showing that agricultural laborers in that State were paid wages that would average $250 a year if the men worked the whole year round, which they did not.[1]

Much more recently Professor Robert Erskine Ely of New York, analyzing the census returns, made the still more startling announcement that fifteen million wage-earners in this country — men, women, boys and girls of ten or more engaged in manufacturing and mechanical industries — obtain, on an average, $400 a year; and that since each of these is presumed to have an average of two dependants, the average income of the forty-five million persons is $133.33 a year.[2]

I do not pretend to rest the case of the condition of the masses of the people of the United States on figures, appreciating fully how figures are twisted to the defense of all manner of positions. I use these statistics merely because they express in concrete form what is to be easily observed by any who will look for himself. The share of the earnings of their labor received by the general population of the the country is really very small, and on the whole is diminishing not only relatively to the increasing

[1] Speech on "The Menace of Plutocracy," Portland, Ore., June 17, 1889.

[2] Address on "The Savings of the Self-supporting Poor," before the League for Political Education, New York, February 4, 1902. Bulletin 55 of the United States Labor Bureau (dated November, 1904) reports that 48,225 employees of various kinds in the State of Indiana received in wages $8.77 a week; 8494 carriage workers, an average of $6.98 a week; 8056 furniture makers, an average of $6.88 a week. Similar investigations in Illinois indicate that 80,881 employees averaged in weekly wages $9.69; that in Missouri of 109,137 men and women investigated, the wages averaged was $8.81; that the operatives in the New Jersey woolen mills averaged $6.43 a week; and in the cotton mills, $5.23; that factory "hands" in Pennsylvania got $9.28, and anthracite coal miners, meaning the expert workers, $9.53 a week, while the helpers and other workers got only $6.44, and the average of skilled and unskilled mine workers, $7.47.

production of wealth, but actually as compared with wages formerly paid in this country and the cost of living now and then. Rents have obviously increased. Taxes have enormously increased.[1] The cost of the great number of commodities directly or indirectly controlled by monopolies has increased.

Thus, while the natural factor in production, land, has been made in effect scarce and is being made scarcer and scarcer by speculation, and while taxes are growing more burdensome and monopoly-controlled commodities higher in price, the ranks of the laboring masses are being sensibly increased by immigration. And these immigrants, instead of spreading out over the general country, are in the main swelling the city and town populations.

In generations past the abundance of unappropriated or very cheap accessible land welcomed the tide of immigration, which was largely agricultural.[2] But of all the once wide public domains there is now not a free acre that is readily accessible, while the price of land generally has greatly advanced. The stream of poor immigrants is therefore diverted from its natural channel — the rural districts — and is sent into the centers of population.[3]

[1] Dr. Charles B. Spahr, in "The Present Distribution of Wealth in the United States," after a lengthy examination, concludes (p. 143) that "the wealthy class pay less than one tenth of the indirect taxes, the well-to-do class less than one quarter, and the relatively poorer classes more than two thirds." Mr. T. G. Shearman, in "Natural Taxation" (p. 8), contends that the tendency of present taxation is to make the rich richer and the poor poorer.

[2] Even in my father's time the song was still popular that bade immigrants "come along from every land and nation," since "Uncle Sam is rich enough to give you all a farm."

[3] It is generally taken for granted that the Hebrews who have composed such an important part of the immigrants from Russia and other parts of Europe would go to our cities, even if land generally were far cheaper, since in Europe they are not given to agriculture. But in Europe, at least in that part of Europe whence most of our Jewish immigrants come, land owning has been for long generations and continues to be forbidden to that race. In Biblical and Roman times the Jews tilled the earth, and the Mosaic code was an adaptation to an agricultural country of the principle of equal rights in the soil. Some of the Jews coming to

There it enters into competition with the laborers already struggling hard for the employment that means a scant living.

This has aroused a militant opposition to the flow of immigrants that in the earlier years of the nation we were so glad to have. We now often hear it said, and our Government acts accordingly: "Penniless immigrants are undesirable. If they cannot come with some little means in their hands, they should be excluded."

The Fathers of the Republic did not say this. They asked nothing of riches. They wanted men. As has been seen (Chap. I), so far from requiring immigrants to have any means whatever, the Fathers were glad to encourage the practice of advancing passage money for such as would come. Nor was there any general disposition even to inquire into the antecedents of those who wished of themselves to come, or were, like many a felon, shipped to America by foreign Governments to be rid of their care and expense. The main essential that was thought to be necessary for the harmony and progress of the country was assimilability, and this quality the men and women coming appeared to have.

For a time Franklin had some fear of the ill effects of large numbers of Germans closely settling together, lest they should thereby "Germanize" a country given to English speech and American ideas and customs.[1] He

this country are voluntarily going to farming in the face of difficulties that are driving the native population from the farms to the cities. Mr. Cyrus L. Sulzberger of New York, in a report for 1904, as president of the Jewish Agricultural and Industrial Aid Society of that city, says that there have been placed by his society or have gone by their own initiative, and have subsequently been aided by loans from his society, 334 families on 31,388 acres of abandoned New England farms.

[1] "Yet I am not for refusing to admit them entirely into our colonies. All that seems to be necessary is to distribute them more equally, mix them with the English, establish English schools where they are now too thickly settled, and take some care to prevent the practice lately fallen into by some of the ship owners, of sweeping the German gaols to make up the number of their passengers. I say I am not against the admission of Germans in general, for they have their virtues. Their industry and

feared, not the Germans, but non-assimilation. The institution of the public school system for the time allayed the danger. But the pouring of immigrants into the growing centers of population is raising it again. Not only have we Ghettos, German, French and Italian quarters in our large cities, but we have Oriental quarters, some parts of which must under even favorable circumstances be difficult of complete admixture with the blood of our body social and politic; and part of which, namely, the Chinese, does not seem to be assimilable under any circumstances, and will never be so long as the people of that nation, retaining their national and racial clannishness and refusing to adapt themselves to changed conditions, remain Chinamen, with scarcely a modification, whether they be in New York, London, Berlin, Melbourne or South Africa.

Immigration is bringing us each year between a half and three quarters of a million of people who are not being distributed over the country. While this deepens the misery of the poor in city and town, it leaves a considerable number of the immigrants unemancipated from their Old-World ideas that all Governments are alike in that they oppress the masses of the people, and that the Government of the United States is different only in name and degree from that from which they fled across the ocean.

To what does this intensified hardship of the poor in the cities lead?

To putting the children to work: little boys in the mines, and little boys and girls in the mills, the factories and the stores. In all save four of the States — Georgia, Delaware, Idaho and Nevada — laws restrictive of the employment of child labor have been enacted; but so needed is the help of the children to the family support that these

frugality are exemplary. They are excellent husbandmen, and contribute greatly to the improvement of the country." Franklin's Works, Bigelow Edition, Vol. II, p. 299.

enactments are well-nigh dead letters.[1] In the larger cities the very toddlers thread needles and pull bastings in the slums.

There was no such working of young children in the colonial period, nor yet in the earlier days of the Republic. Adam Smith,[2] writing about the time of our Revolution, tells us that labor in North America was so well rewarded that a numerous family was a source of opulence and prosperity to the parents, the labor of each child being computed to be worth £100 (equal to far more than $500 to-day) clear gain to them; and a young widow with four or five young children was then frequently courted as having a sort of fortune. But this does not mean that the children were worked in infancy, but when they had grown to reasonable age. And even if it did, where is our advantage, despite the multiplied power in the production of wealth? What is the value of our century and more of progress if it does not add to the material prosperity of the masses of the people?

[1] The census of 1880 shows that there were 1,118,556 children between the ages of ten and fifteen employed in the United States. The census of two decades later shows that this number had increased more than 50 per cent. In the South is the highest percentage of these minors. By the census figures as high as 59 per cent. of the boys of between ten and fifteen are at work in Alabama, and more than 38 per cent. of the girls of similar ages are at work in South Carolina. More than 125,000 of the boys and girls of this tender age are employed in Pennsylvania, and approximately 92,000 in the State of New York. The State Factory Inspector of Pennsylvania says that approximately 4000 young girls, of which 50 per cent. are under thirteen years, work all night. Many a time the Anthracite Coal Commission was roused to expressions of indignation or moved to the brink of tears by the shocking testimony of girls and boys, some of them even as young as eight, who worked in Pennsylvania silk mills and coal breakers ten and twelve hours a day for a pittance. Census Bulletin No. 215 on cotton manufacture declares that 25 per cent. of all the textile operatives in the South are under sixteen. From other sources comes the information that one of the largest mills in Alabama works children of six years or more from 5.30 A.M. to 6.30 P.M., with twenty minutes for dinner. In rush times these infants are compelled to prolong their hours at the looms until 9 or 10 P.M., as often as three and four nights in succession.

[2] "Wealth of Nations," Bk. I, Chap. VIII.

CHAPTER II

PHYSICAL, MENTAL AND MORAL DETERIORATION

WHO that has looked at a Japanese dwarfed tree in a porcelain pot has not wondered how it lived and developed in its diminutive, gnarled form? The secret is simple. It was starved and tied. The earth in the pot was impoverished and the branches were held in unnatural positions by heavy wires. Hence the tree's growth was slow and twisted.

So Privilege stunts and twists the masses of men physically, mentally and morally. While overnourishing a few, it starves and distorts the many. As privilege grows, its evil influence extends, and the people as a whole deteriorate.

The much-discussed British Blue Book containing the report of the Inter-Departmental Commission on Physical Deterioration, while not conceding the fact, as from some quarters persistently charged, that the British people are physically deteriorating, points out a variety of causes operating to produce such a result. All the causes may be brought under a single head — poverty. Poverty crowds people together in great cities. Poverty subjects them increasingly to excessive tobacco, alcoholic, morphine and kindred habits. Poverty keeps up infant mortality, despite the generally lessened death-rate.

And what causes poverty? Privilege. The privileges of a few are subjecting the mass to a poverty that manifests itself in these ways.

Does not this British Commission report give us here in new America, with our institutions that are seemingly so beneficial to the healthy growth of a people, warrant for serious introspection?

Mr. Robert Hunter estimates that there are in the United States in fairly prosperous years no less than 10,000,000 persons in poverty. This is something more than an eighth of our total population. He means people underfed, underclothed and poorly housed.[1]

Those given to fine distinctions may say that the word "poverty" is loose and indefinite. Yet there can be no room for doubt that in face of our obviously multiplied power to produce wealth there is an increasing per capita public, semi-public and private expenditure for charity. Nor is there room for doubt that there is not a lessening, but an increasing, number of insane; not a lessening, but an increasing, number of suicides; not a lessening, but an increasing number of criminal cases of all kinds, and a rapid development of the brutal side of human nature.

From what does all this proceed? Not from a sufficiency of the satisfactions needed to meet the wants and common human desires, but an insufficiency. That is, poverty. It means privation, want, suffering, loss of personal independence, insanity, suicide, crime.

How can these be avoided when human beings are packed so closely together in our cities? There are approximately 80,000 tenement houses in Greater New York. They shelter about two thirds of the city's population. In one square mile in the lower East Side of Manhattan

[1] "Poverty," p. 337. Mr. Hunter points to the fact that, aside from the huge army of public paupers, there are over 2,000,000 workingmen employed only from four to six months of the year; about 500,000 male immigrants arriving yearly and seeking work in the very districts where unemployment is greatest; nearly half the families of the country propertyless; over 1,700,000 little children forced to become wage-earners when they should still be in school; about 5,000,000 women forced to work, of which 2,000,000 are employed mostly in factories and mills.

Borough 600,000 human beings are jammed.[1] Here the people are stowed away as if all the country-side had been driven in by an army of envelopment.

Rev. Dr. Behrends, describing the block bounded by Canal, Hester, Eldridge, and Forsyth streets (lower East Side) says: "In a room 12 by 8 and 5½ feet high, it was found that nine persons slept and prepared their food; . . . in another room, located in a dark cellar, without screens or partitions, were together two men with their wives and a girl of fourteen, two single men and a boy of seventeen, two women and four boys — nine, ten, eleven and fifteen years old — fourteen persons in all."

Can virtue withstand the temptations and weaknesses of such conditions? Would it be anything short of a miracle if "red-light" dives and less miserable brothels did not flourish in such surroundings? What Miss Frances A. Kellor has to say in an account of her investigations in employment agencies brings a flood of testimony. When in a certain instance it was hinted that the supposed situation was not in every way desirable for a young girl, the woman proprietor shrugged her shoulders and said: "I don't care for what purpose you want her. I give you a girl for a waitress — you do what you please with her when you get her there." Says Miss Kellor: "Only too often did we find old, gray-haired women and young wives and mothers sending into such places, without hesitation, their own countrywomen, who, but for them, were friendless in a new country, and when they knew they would come back physical and moral wrecks and utterly unfitted for any

[1] In the block on the lower East Side bounded by Second and Third streets and Avenues B and C, the Federal census of 1900 found 4105 persons. This is as large a population as any town in the State of Delaware contains, save one — the capital city, Wilmington. In a block on the middle West Side, bounded by Amsterdam and West End avenues, Sixty-first and Sixty-second streets, the Federation of Churches and Christian Organizations by careful canvass in the summer of 1904 found 1029 families in actual residence and 83 vacant apartments. The total population was 3797 souls.

honest work. . . . Figures can only be approximate, but it is no exaggeration to say that in New York, Philadelphia and Chicago, about seventy-five per cent. are not averse to sending women as employees to questionable places, and from forty to sixty per cent. send them as inmates, obtaining their consent where possible." [1]

When it comes to trying to live by making children's dresses at the rate of 35 cents a dozen or children's aprons with ruffles and sashes for 45 cents a dozen, vice holds out new allurements. Women are compelled to enter bread-winning fields hitherto given up solely to men.[2] And positions are too often accepted where, if the regular pay is low, it is understood important extras may be earned "in other ways."

The public of New York has recently been aghast to find that it had in its "red-light" dens, with their "cadets" or procurers, their thin young girls and their brass checks, a horrible species of Oriental slavery. Yet it is a slavery not arising from innate depravity. Nor is it imported. It is made by social conditions. It is a fruit of poverty, and that in the metropolis of our country.

In the city of Cleveland, Ohio, not long since a disreputable house was raided by the police. The inmates were arrested. Among them was a woman, who, because she could not pay the fine imposed, was sent to the workhouse. When she had there worked out all but $26 of the fine, an offer was made by a woman acquaintance to lend her that sum and thus enable the prisoner to regain her liberty. The offer was refused. This surprised the workhouse officials, who reported the case to the mayor of the city, Tom L. Johnson. He questioned the prisoner, asking why she did not take her liberty. "I want my

[1] "Out of Work."

[2] "American women never manage the outward concerns of the family or conduct a business. . . . No families are so poor as to form an exception to this rule." De Tocqueville, in "Democracy in America," Vol. II, p. 259.

liberty," she replied; "but if I borrow $26 to wipe out the amount of fine still against me, how shall I repay it? At present I have no other way of doing so than by going back to the old business. It would take fifty-two times at 50 cents a time to meet the debt. I prefer to stay and work off the $26 here in the workhouse!" The mayor pardoned her.

Such a case is isolated only in its particular form. It belongs to a great class of cases. As I pause in my writing my eye falls upon a newspaper item telling of the arrest and the holding under bail of $100 for trial, of a New York sweat-shop clothing merchant for employing little Rosie Lindenbaum of 235 Sixth Street. Rosie said she was fifteen years old, but she had no certificate showing that she was of legal age to work. Rosie's mother came before Magistrate Ommen and said: "My little girl is the sole support of myself, my husband and five children at this time. If she is taken from her work, the little bread that we have will be taken from us." The inspector told Magistrate Ommen that they found the children eating crumbs, the only food in the house.

Tragedies of this kind are too common nowadays to receive more than passing thought from us. Nothing seems so cheap as human flesh and blood among the poor of our great cities. And now and then comes a pronouncement from a court of law that emphasizes this. One such was made by William G. Gummere, Chief Justice of the Supreme Court of New Jersey — New Jersey, the great trust-incorporating State. A child had been killed in a street railroad accident in Jersey City. The parents brought suit for $50,000 compensation. Justice Gummere ruled that a child's life is financially not worth more than $1 to its parents. By that ruling the jurist became popularly known as "Dollar-a-life Gummere." After stubborn fighting in the courts, and taking the case to the highest tribunal in the State, Justice Gummere was overborne and $1000 awarded the parents of the dead

child.[1] This was more in keeping with the early usage in this country by which, as has been cited, Dr. Adam Smith tells us a child was estimated to bring to its parents "before it could leave their house £100 above all expenses of its rearing and keep."[2]

Now, while in new countries it is always the fact that marriages occur early and are very fruitful, and while Dr. Franklin reckoned eight births to a marriage in America, as against four in Europe,[3] yet it also is true that generation is active in conditions of dense population where poverty rules. This seems to indicate the natural law — that Nature endeavors to multiply the human stock where the latter is sparse or where hardship and disease threaten its discontinuance. The law seems to be proved by the fact that we have before noticed (Bk. II, Chap. IV) that there is a lowered birth-rate among the body of people who live in circumstances of ease, and a yet further lowered rate among the very rich, so far as may be judged to be the natural order and aside from the increasing preventive practices.

Adam Smith illustrates by conditions in Scotland the phase of the matter most clearly.[4] "Poverty," says he, "though it no doubt discourages, does not always prevent marriage. It seems even to be favorable to generation. A half-starved Highland woman frequently bears more than twenty children, while a pampered fine lady is often incapable of bearing any, and is generally exhausted by two or three. Barrenness, so frequent among women of fashion, is very rare among those of inferior stations. Luxury in the fair sex, while it inflames perhaps the passion for enjoyment, seems almost to weaken, and frequently to destroy, the powers of generation."

[1] Abram Graham *vs.* Jersey City Consolidated Traction Company. Case came into court April 10, 1896. Justice Gummere made his ruling July 20 following. Appeal was taken and the case was settled November 11, 1901.

[2] "Wealth of Nations," Bk. I, Chap. VIII.

[3] "Observations Concerning the Increase of Mankind and the Peopling of Countries," Franklin's Works, Bigelow Edition, Vol. IV, p. 225.

[4] "Wealth of Nations," Bk. I, Chap. VIII.

And continuing, Dr. Smith says: "But poverty, though it does not prevent generation, is extremely unfavorable to the rearing of children. The tender plant is produced, but in so cold a soil, and so severe a climate, soon withers and dies. It is not uncommon, I have been frequently told, in the Highlands of Scotland for a mother who has borne twenty children not to have two alive. . . . In some places one half the children born die before they are four years of age; in many places before they are seven; and in almost all places before they are nine or ten. This great mortality, however, will everywhere be found chiefly among the children of the common people, who cannot afford to tend them with the same care as those of better station. Though their marriages are generally more fruitful than those of people of fashion, a smaller proportion of their children arrive at maturity. In foundling hospitals, and among the children brought up in parish charities, the mortality is still greater than among those of the common people."

This may well be used to describe conditions in the United States. In the rural regions and in the poor quarters reproduction is rapid; among the classes of ease and wealth much slower. And of those children born to the latter a very much larger proportion are protected from early death than those born among the poor. One of the most pathetic sights of a great American city is the number of little rough wooden coffins to be seen in the public morgues awaiting interment in the public burying grounds. The last place where the poor will stint is at a funeral, yet such is the depth and extent of poverty in Greater New York that more than eight and one half per cent. of all the people who die in the five boroughs are buried in Potter's Field at public expense. In the boroughs of Manhattan and the Bronx the Potter's Field interments approximate ten per cent.[1]

[1] These figures do not show the full extent of this phase of poverty, since they do not include the Jewish dead who are taken to the morgue,

Of this ten per cent. a dreadful proportion consists of babies, whose flickering little lives are snuffed out in the fetid atmosphere of poor quarters. Infancy and early childhood have a heavy battle for life in New York, even under good circumstances.[1] There can be no doubt that a very large proportion of these early deaths are directly or indirectly due to poverty.

It is a fact too well attested for dispute that tuberculosis and other virulent diseases of the slum quarters of our cities have yielded materially to the treatment, not of removing patients to other places and climates, but simply by improving the physical environments to which poverty had sentenced them. A very large part of the post graduate hospital work in New York City is along this line, with a remarkably high percentage of cures.

There are some who call themselves optimists who shut their eyes to all this and say that if the rich are richer, the poor are richer, too. They point to the large funds in the savings-banks — more than $3,000,000,000, and 7,000,000 depositors for 1903, averaging more than $400 to the depositor. But just as the investigation made by the Massachusetts Labor Bureau in 1873 revealed the fact that persons not wage-earners were depositors to at least one half the total amount in the savings-banks of that State at that time, so similar examination now would reveal all over the country a similar ownership of these savings. As the Massachusetts investigation showed, wealthy people use

but are there rescued by the Jewish societies and are interred elsewhere. Nor do they include the large number of public paupers who would go to Potter's Field but for the burial insurance placed on them by certain undertakers who find a profit between the small amount of such policies and the still smaller expense to which they are put in getting the dead bodies a private interment. Singularly enough, those almshouse inmates who have such burial insurance on them, miserably small though the sum be, regard themselves as superior to those who do not have it. They draw attention to the fact. It amounts to a badge of aristocracy among the public paupers.

[1] Of the total of 78,060 deaths in the whole city during 1904, the babies under one year of age numbered 16,125, and under five years, 25,543.

savings-banks to escape taxation and the care of their investments. They deposit for themselves to the full limit and open accounts for members of their families and also as trustees.[1]

On the other hand, the pessimist says with self-righteous asperity that the poor are not provident. As well talk of frugality to him who faces famine. And if economies were effected in their mode of living by the whole class of struggling poor, that would only mean that they would sink to lower levels of competition. The savings effected from the new economies would be forced from the poor in the rivalry for employment. General wages would fall correspondingly with the general benefit derived from the general frugality. Not long ago the United States Government with some success conducted experiments in the Department of the Missouri to show that soldiers can be well nourished by an expenditure of only five cents a meal. In New York City a few benevolent people have established "People's Kitchens," at which two-cent meals are served. Well, what of it? Suppose the whole nation were to economize to this basis. The body of the workers would lose the benefit of it. Reduced in the standard of living to the rice-eating basis of the Chinese, the wages of American workmen would, through undercutting for work, come down to the Chinese rice-eating level. Individuals alone following such a course would be lifted from the mass. But we are not considering isolated cases. We are considering the whole.

If in the present state of "cut-throat" competition for employment, when the great storehouse of Nature is locked away from the mass of labor, to effect general industry, frugality, integrity, virtue and sobriety is only to keep the poor enslaved by poverty, what use is there to try? That is the supreme question. Because there seems to be no reply explains why young girls sell their bodies at the low dance halls, the "red-light" dives and the outwardly more

[1] See Mr. Bolton Hall's "Free America," p. 47.

decent appearing places that, like leper spots, infest the neighborhoods of the poor. It explains why men seek forgetfulness in drink; why 148 saloons are to be counted within an area of 514 by 375 yards in one swarming spot in New York.

The wonder is not that there is so much sin and drunkenness and shame under such circumstances, but how it is there is *so little.* For virtue and innocence and honesty and cheerful courage are to be found there to a surprising degree. They are, indeed, heroic in extent and form. But this does not argue that such hardships are good for the training of human beings. It proves only what hardships multitudes will survive.

"In one judicial district in this city," says a New York newspaper, "there have been more evictions within the last three months than have occurred in the whole of Ireland during the same period." It is a matter of official record that more than twenty thousand evictions occur in that city each year.[1] This one cold fact outweighs a thousand vainglorious Fourth of July orations about the Nation's progress.

None will gainsay that the public and private expenditures for charities have enormously increased within the last score of years Yet beggars are to be met with every-

[1] A curious group of eviction cases grew out of the determination of one Elias Russ, owning the tenement house at No. 6 Goerck Street, to demand fifty cents a month extra rent for every baby on the premises after the beginning of March, 1905. The building was occupied by 30 families, who boasted of 150 children. The tenants refused to pay the increase. Dispossess writs were served. Mrs. Frederick Friedmann, one of the tenants, loudly cried: "What is it you would do? Should I turn my firstborn, Isaac, into the street, stab Rachael, strangle Moses, shoot Rebecca, drown Mira, poison Nathan, throw Lizzie from the roof, or hug the twin babies to death? Oh! monster of a man!" The tenants, with many of their children, went in a body before Justice Worcester of the Thirteenth Municipal District Court to protest. Mrs. Fannie Frank became one of the spokesmen and declared, "The landlord is against the Scriptures which bid men multiply." The justice gave the tenants a stay until the following Monday, by which time they were to decide either to pay the increased rent demanded or to find other premises.

where on our streets. Thomas Jefferson said that the occasional beggar to be seen in the cities in his time were usually foreigners who had just come over and had not yet obtained a settlement. Subsistence, he said, was "easily gained" in this country then.[1] Charles Dickens, when he came to America more than half a century later said, "A beggar in Boston would be like a flaming sword."

Yet Salvation Army circulars now speak of providing 3,000,000 beds annually for the poor in the United States.

The advent of the model twenty-five-cent-a-night lodging houses erected by the California millionaire, Mr. D. O. Mills, and bearing his name, were hailed as a godsend to the poor. But they have proved high-priced to those who can afford to pay only ten and fifteen cents for a night's lodging. More than the poor really frequent these Mills hotels. A friend who lived at one of them for a time to study its occupants told me that the feature that most surprised him was the number of silk hats that issued forth in the morning. These hats are worn by business men who are struggling to keep up a bold front by day, and who are constrained by night to practice the extremes of economy.

Each night for twenty-seven years a line has formed in front of Fleischmann's Vienna Bakery at Broadway and Tenth Street, New York. Each man in that line has received half a loaf of bread and a steaming cup of coffee. The line has not shortened with years. If anything it has lengthened. Other free bread and coffee lines have been established, and one of the most popular of the daily newspapers gave night food to thousands last winter.

The most alarming form of this kind of charity is the feeding of school children. For many years it has been observed and commented on by public school-teachers in the poorer districts of New York that a large percentage

[1] "Notes on the State of Virginia," Jefferson's Writings, Ford Edition, Vol. III, p. 239.

of the children attending were underfed — some actually weak and sick from hunger. Mr. Robert Hunter, whose work in the University Settlement and other organizations for helping the poor gave him means for ascertaining the facts, startled public complacency by announcing that 70,000 children in Greater New York arrive at school "underfed and undernourished." Inspector H. M. Lechstrecker, of the State Board of Charities, on investigating, reported that out of 10,707 school children, only 1855, or less than one fifth, began the day's work with adequate breakfast. Over 1000 children never had for their morning meal more than bread only or coffee only, and nearly 500 came without any breakfast at all. The Salvation Army at once opened food stations for school children and actually has close to a thousand every morning in attendance. It is quite apparent that as soon as the poor get somewhat inured to this new form of degradation in free America, the number of school children dependent upon charity for one or more meals daily will be not one thousand but many.

And then we shall be confronted by the question up in London: Whether the public school system should not include the feeding of the children?[1] Sir John E. Gorst, commenting upon the London experience (*North American Review*, July, 1905) recites what is of prime significance, "A large portion of the feeble-minded children, culled as unteachable from the London schools, actually recover their mental powers under the influence of a generous diet."

Last Christmas Hon. Timothy D. Sullivan, Member of Congress from the Eighth New York District, member of the Executive Committee of Tammany Hall and Bowery

[1] At a National Labor Conference in Guildhall, London, on Jan. 20, 1905, the Lord Mayor (Alderman John Pound), welcoming the delegates, and Sir John E. Gorst, M.P., in the chair, it was resolved by acclamation that state maintenance of children is the necessary corollary of compulsory education.

saloon-keeper, distributed baskets of provisions and crisp greenbacks among five thousand of his political vassals and hangers-on.

Does this indicate free, independent politics? Or does it reveal the rottenest kind of rotten boroughs?

Accompanying it, we see the wide extension of the habit of tipping, which but a few generations ago Americans, especially those in the West, would have indignantly spurned. Now the tip is accepted with servile humility, and often its not-coming is practically resented. De Tocqueville wrote, "I never saw a man in the United States who reminded me of that class of confidential servants of which we still retain a reminiscence in Europe, neither did I ever meet with such a thing as a lackey: all traces of the one and the other have disappeared."[1] For, said the keen-eyed Frenchman, going at once to the reason, "at any moment a servant may become a master, and he aspires to rise to that condition. The servant is therefore not a different man from the master. Why then has the former a right to command, and what compels the latter to obey? The free and temporary consent of both their wills. Neither of them is, by nature, inferior to the other. They only become so for a time by covenant. Within the terms of this covenant, the one is a servant, the other a master. Beyond it, they are two citizens of the commonwealth — two men."

This does not describe present conditions among us. While social environments are molding some into obsequious, servile lackeys, they are driving others to suicide, to insanity and to all manner of crime.

Professor Frederick L. Hoffmann's investigations for the information of one of the large insurance companies find that the numbers of suicides is great and progressive. In fifty of the principal cities of the United States the suicide rate for the eleven years of 1893 to 1903, inclusive, was

[1] "Democracy in America," Vol. II, p. 220.

16.30 to every 100,000 inhabitants; in 1903 it was 18.39.[1] Mr. George P. Upton of Chicago, for years one of the recognized authorities on the subject in America, last year published a table showing 77,617 cases of suicide reported in the newspapers of the country.[2] Poverty, with all that it means, is a sufficient cause.

And it is a sufficient cause for the growth of insanity. The statistics of the insane outside the precincts of the public and private asylums are scarce and hardly reliable, since there is a natural tendency to hide it wherever possible. Yet the number of insane in the asylums is on the increase, and is greatest among those of highest temperament, who are most quickly distracted by the savage battling for a living.[3]

Dr. V. H. Podstata of the Dunning Insane Asylum for Chicago is reported to have stated that in his judgment one in every 150 of that city's inhabitants is insane. Dr. H. N. Moyer, the eminent alienist of that city, is more moderate. He thinks that the insane of Chicago number one to 400 of

[1] In New York (Boroughs of Manhattan and the Bronx) the rate during the period of 1892 to 1902, inclusive, was 21.6 per 100,000; in Hoboken, just across the Hudson River, 27.14; in Chicago, 23.64; in St. Louis, 25.87.

[2] "The Facts about Suicide," *The Independent*, New York, April 7, 1904. Among other things, Mr. Upton says: "Between the ages of ten and twenty-five, suicides of women are more numerous than those of men. It is one of the saddest features of the case that suicides of women are increasing faster than those of men. Half a century ago five times as many men committed suicide as women. A quarter of a century ago the proportion was three men to one woman. During the last three years the ratio has been about 2½ to one. Another sad feature of the suicide situation is the increasing number of children who kill themselves. These suicides are almost without sufficient cause, and sometimes without any."

[3] Official reports for Washington, District of Columbia, give 217 cases for the year ending June 20, 1899; 247, for 1900; 283, for 1901; 336, for 1902; 290, for 1903; and 373, for 1904, with indications that those for 1905 will quite equal the figures of the preceding year. These figures include only those patients sent to the Government Hospital for the Insane by the municipal authorities, and not patients sent by the United States Government from the soldiers' homes, army and navy, etc. Nor do these figures include such cases as recover before a formal hearing. It appears probable that if the temporary aberration cases were included, they would increase the foregoing figures about ten per cent.

the population; in New York, one to 340; in Boston and New England, one to 320. "There is no doubt about the cause of the increase of insanity," he observes. "Poor food, poor homes, with no sun and bad air, improper clothing, worrying about the rent, drive people crazy."

Whatever will produce these results on the more sensitive will brutalize the more stolid. Behold the development of the brute nature in a long catalogue of manifestations, ending with woman beaters and the ruthless trampling upon the weaker sex by men in car and steamboat accidents.

Jefferson said that within the space of ten years he had not heard of a single highway robbery in any of the States, except in New York and Philadelphia immediately following the departure of the British army, some deserters from which infested "those cities for a time."[1] How odd this now sounds, when tramps are scattered all over our country, even through the newest of our States, and thieves infest our cities; when every manner of crime known to poverty is to be met with in our legal procedure, and when special courts have been created for child-offenders.

Thievery of every sort and description, from stealthy filching to house-breaking, bank blowing and train-robbing, is to be found generally upon our criminal court calendars. Train robbers are nowadays hunted and shot down like wild beasts. Some of the railroad and express systems centering in Chicago announced subsequent to a couple of hold-ups that a dead train robber is worth $1000, and that they will give that sum to the man that does the shooting. One of the officials of the Burlington Railroad is reported to have stated, touching this: "All of our conductors and trainmen carry revolvers, and we are encouraging them to do so, and to learn to shoot straight. I am in favor of a concerted action on the part of the railroad managements and express companies which shall have for

[1] Letter to M. Clavière, Paris, July 6, 1787, Jefferson's Writings, Ford Edition, Vol. IV, p. 402.

its object the hounding of train robbers to the ends of the earth."

The activity of burglars is notorious. Little boys and little girls engage in hold-ups. And behold the cool deliberation marking some of our highway robberies! Edwin Tale, twenty-five years old, an athlete and a member of the Fourth New Jersey Volunteers during the Spanish War, was arrested in Chicago for holding up a man. He said in confession: "I rode on the elevated trains between eleven P.M. and one A.M. When I saw a man who looked easy to rob, I got off the train ahead of him and lay in wait."

Criminal gangs flourish in particular localities until their too brash operations at last raise such a public outcry as to cause them to be routed out by the police. For that matter, it is too plain to be ignored or denied that the police organization itself in the greater cities is made largely *particeps criminis*. Many police chiefs, superintendents, inspectors and captains, not in New York alone, but in most of the cities, have, with but brief interruption, regularly demanded and regularly received heavy blackmail as the price of blindness to vice and crime.[1]

[1] What fosters the police blackmail evil is the policy so prevalent in this country of late years of using criminals to catch criminals. This makes a back-door connection between the police and what might be called "the instituted criminals." It is told as illustrative of this connection that a certain judge complained at New York Police Headquarters that he had had his pocket picked while crossing Brooklyn Bridge, and had lost his watch, the number of which he gave. A detective was put upon the case. A few hours later report was made to the judge that he must have been mistaken; that he must have lost his watch somewhere else; that the department had means of locating every watch stolen on the bridge during the last forty-eight hours and that no watch bearing the number he had given was among them!

It is furthermore a solemn fact that corruption money is actually used by the Police Department and the District Attorney's Office in New York City to get evidence against infractors of the liquor laws and against disreputable houses. On file in the Controller's office in New York may be seen the approved and paid bills of "plain clothes men" and "special detectives" for clothing outfits, theater tickets, suppers, carriages, wines and women. Controller Edward M. Grout early in his administration

It is true that the infraction of puritanical sumptuary laws, which is made a penal offense, is the cause of many arrests. Yet, being on the statute books, they should be obeyed. And it should be the duty and practice of the law's municipal servants to see to their enforcement. But it is seriously and credibly charged that while the arrests in the city of Philadelphia for the year 1903 amounted to the enormous number of 75,699 cases, a great number of most serious cases of vice and crime were overlooked by the police for blood-money.

The ratio of arrests in Philadelphia for 1903 was one person out of every seventeen of the population.

That is exceeded by New York and Chicago only in the greater gravity of offense. The cases of four young men in the latter city illustrates the nature of these crimes. Gustav Marx, age twenty-one; Peter Niedermeyer, age thirty-two; Harvery van Dine, age twenty-one; and Emil Roeski, age nineteen, acting together, committed eight murders and at least one hundred hold-ups. The most significant fact in relation to these young men was that they were American born, and belonged to what many might regard as middle-class families. They but imitated those driven to such things by poverty, or the fear of it.

And if present tendencies continue, we shall soon have among us a horrible practice which has caused such grave scandal in England — the crime of murdering children for the insurance placed on their lives. Not only have such atrocities been detected of late, but also cases where men, without their knowledge, were insured for a few hundred dollars, and then mysteriously died. A series of such cold-blooded crimes occurred recently in Bayonne, New Jersey, one of the commercial and industrial suburbs of New York City.

made a vigorous and indignant public protest against this use of public moneys, but the District Attorney's office and the Police Department said the practice was necessary, and discussion of the matter soon dropped; but not the practice, which has continued.

Mr. S. S. McClure shocked the thoughtful of the country by quoting, in *McClure's Magazine*, for December, 1904, a summary of statistics on murders and homicides throughout the country, collected by the *Chicago Tribune*, and covering twelve years ending 1902. These figures seemed to prove that in 1904 there were four and a half times as many murders and homicides for each million of people in the United States as there were in 1881.

"Oh, well, but," comes the reply, "the thing is explained by the fact that latterly there has been a little more systematic publication of murders and homicides." But why should newspapers pay more attention to such things now than they did a dozen years ago? And how explain away the increasing murders and homicides on the court records?

An experienced magistrate, Recorder John W. Goff of New York, told me not long since that in his judgment the course of crime in this country is not only toward more frequency and gravity, but that it is changing its old hot impulsiveness, openness and directness, for cold calculation, secretiveness and deliberate intention to strike without being discovered. This progress and difference he attributes mediately and immediately to extending and deepening poverty.

Not a few are ready to charge any disadvantageous developments among us to immigration — to the "foreigner." But this would imply that murders and homicides are more frequent in foreign countries than here, which is not the case.[1]

What John Stuart Mill wrote years ago has singular applicability to us in this country now: —

[1] Mr. McClure says that, taking the census for 1900 as a basis, from only one country sending us emigrants — Russia, which sent us only $\frac{1}{23}$ part of all that came that year — was there a higher murder and homicide rate than in the United States. And even in Russia the rate but slightly exceeded ours. The remaining $\frac{22}{23}$ of the immigrants came from countries no one of which has half as many murders and homicides per million population as we have. See *McClure's Magazine*, December, 1904.

If the bulk of the human race are always to remain as at present, slaves to toil in which they have no interest, and therefore feel no interest — drudging from early morning till late at night for bare necessities and with all the intellectual and moral deficiencies which that implies — without resources either in mind or feeling — untaught, for they cannot be better taught than fed; selfish, for all their thoughts are required for themselves; without interests or sentiments as citizens and members of society, and with a sense of injustice rankling in their minds, equally for what they have not and what others have; I know not what there is which should make a person of any capacity of reason concern himself about the destinies of the human race.[1]

Does not this suggest why the President of the United States is now attended by more or less of a body-guard? Behind the fear is something more real than a phantom. Four years ago a President was killed by a young man who called him a despot. The assassin, Leon F. Czolgosz, was twenty-eight years old, and a native-born citizen, his birthplace being the Western city of Detroit. He had attended the public schools at Alpine, Michigan, and had received a fair instruction in the common branches. He worked in various cities of the country. He was the son of an honest, hard-working father and an earnest mother, and the brother of a United States soldier in the Spanish War. But for all this he had seen trusts and monopolies and combinations rise and exalt some to great power, while the masses of the people were reduced to an intensifying competition among themselves for a living. He became what the Socialists call "class-conscious." He confusedly said to himself that the working masses are getting so little of the fruits of production because another class is "exploiting" them. And he became so far "class-conscious" that he forfeited his life to strike a death-blow at the Chief Executive of this Nation. That Chief Executive, he believed, was not really the servant of all the people, but the creature of some.

I do not understand that this confirms those of the Lom-

[1] "Principles of Political Economy," Bk. II, Chap. XIII.

broso school who assert that a criminal "type" has been established in this country, and that that "type," by mere generation, is reproducing and multiplying itself. To my understanding it rather upholds the view brilliantly set forth before the American Association for the Advancement of Science, by Dr. Edward A. Spitzka of New York,[1] that there are now social conditions in the United States that engender most of the crimes. For there are hordes of American men, women and children, who, like Longfellow's outcast in "The Legend Beautiful," gaze

> With that terror in the eye
> That is only seen in those
> Who amid their wants and woes
> Hear the sound of doors that close,
> And of feet that pass them by;
> Grown familiar with disfavor,
> Grown familiar with the savor
> Of the bread by which men die.

Man is made up of a threefold nature, mental, physical and moral. If the physical man starves, the mental and moral man must die.

When employment is made artificially scarce, as the existence of privilege is making it, some of our people must suffer poverty. They must deteriorate physically, mentally and morally. Then ignorant, unthinking, vicious, volatile mobs must supplant the body of intelligent, upright, self-respecting, patriotic American citizenship; and "mobs in great cities," observed Jefferson, "add just as much to pure government as sores do to the health of the human body." As Privilege extends its control, the forces of deterioration must extend, until the whole community will directly or indirectly become infected.

[1] Meeting at Philadelphia, Dec. 28, 1904.

BOOK IV

RESISTANCE TO PRIVILEGE

Defend me, therefore, . . .
. . . from the toil
Of dropping buckets into empty wells,
And growing old in drawing nothing up.

— COWPER: *Task.*

The workmen desire to get as much, the masters to give as little, as possible. The former are disposed to combine in order to raise, the latter in order to lower, the wages of labor. . . . We rarely hear, it has been said, of the combinations of masters, though frequently of those of workmen. But whoever imagines, upon this account, that masters rarely combine, is as ignorant of the world as of the subject. Masters are always and everywhere in a sort of tacit, but constant and uniform, combination, not to raise the wages of labor above their actual rate.

— ADAM SMITH: *Wealth of Nations.*

CHAPTER I

ORGANIZATION OF LABORERS

WHEN men find themselves subject to a common danger, they unite for common defense. Hence it was that when the monopolization of natural opportunities in the United States cut off laborers in the primary occupations from free access to land and forced them to compete for employment with laborers in the cities, combative trade unions began to appear.

This did not have its real beginning until the commencement of the second quarter of the nineteenth century. Before that, trade organizations were almost solely benevolent. Later they began to be militant. Yet as late as 1833 they still retained a more or less clear perception of the law of wages. The Central Trade Union of New York, composed of delegates from various trade organizations, formulated political demands, but said nothing about such collateral questions as the length of working day and immigration. They boldly attacked the primary question of the monopoly of natural agencies.

For when working on free land — on land that had no price, that yielded no rent — all the produce could be retained by labor as wages, save the part that went to capital as interest; capital being matter fitted by labor to be used by labor in the production of wealth. But as free land became scarce or difficult to reach, all other land came to have a higher and higher value. That is to say, labor and capital had to pay more and more for the use of land, which left less and less of the produce for division between them

as wages and interest. And while the introduction of labor-saving methods and inventions greatly increased the volume of production, land values, forced up by growing population and speculation, tended not only to absorb the whole increase, but it tended to press labor and capital to take lower wages and interest as the price of using land.

Thus, as free land became scarcer and all other land dearer, laborers began to congregate in cities and compete there for employment under others. They lost hope and even thought of obtaining land for themselves and becoming their own employers. They lost sight of the relation of wages to free land. The law of wages became, to their changed view, not one of natural relations, but one of human relations; not one that based wages upon what the laborer could earn for himself at the margin of cultivation, that is, upon land for which he had to pay no rent, but one that fixed wages by the ratio of applicants to the number of places employers had to offer.

Reaching that point, it was but a step further to the notion that the way to keep wages up was artificially to make "more work," which meant, to make more opportunities for employment in manufacturing lines.

Self-interest is ever on the alert for occasion. Here was the occasion for the manufacturing interests which had up to 1850 been nurtured more or less strongly by a tariff. But the old idea of levying a tariff upon imports for the sake of building up home manufacturing plants had lost favor. During the decade following 1850, the tariff had been reduced so low as to cause the period to be called the "free trade era." It was marked by much commercial and manufacturing activity, and the policy of a low tariff would probably have continued had not the Civil War intervened. The war, making heavy demands for revenue, brought a return of heavy customs duties. Manufacturing concentrated, and at the close of the war powerful lobbies went to Washington to influence Congress to continue the high tariff taxes. They gave out for public consumption

the old argument of protecting "our infant industries," although many of the latter had grown to be giants. To that argument they added a new one — one in behalf of the American workingman's wages. The argument ran thus: "European manufactures can undersell American manufactures because of the lower rate of wages paid in Europe. The United States must therefore impose a tariff on imports of European manufactures at least equal to the difference between wages here and abroad. If we do not do this, the foreigner will undersell us. We shall be deluged with the pauper-made goods of Europe. Our manufacturing plants will close down and fail. American workmen in tens and scores of thousands will be thrown out of employment."

Foolish, transparently foolish, as this plea was, it sounded rational to the body of workmen in the cities. They did not stop to reason that trade is merely the exchange of commodities for commodities, and that if under freedom of trade foreigners should try to "deluge" us with their goods, they would do so only because we in turn would agree to "deluge" them with our products. To make products for the exchange would give our workmen here natural, and therefore, more stable and better employment than that obtainable through tariff discouragement to foreign trade and the substitution of domestic hothouse culture. But like the dog in the fable, our workmen, as a mass, dropped the bone for the shadow. They cast their votes as years went by for greater and greater taxes against foreign imports, under the delusion that they were protecting their own wages and even employment.

The high tariff enabled domestic manufacturers to put up prices without putting up or even keeping up wages. Indeed, while protesting that their chief desire for a tariff was to protect the wages of American workmen, our great tariff-fostered manufacturers imported armies of workmen from Europe, under contracts for lower wages than prevailed here. This practice was checked only when an

overmastering sentiment among American workmen in the middle eighties compelled Congress to prohibit admission of contract laborers.

Even to-day workmen still pursue the "protection" phantom. They vote to protect the steel and other monopoly combinations from foreign competition, while at the hands of those very monopolies they suffer not only merciless lockouts, blacklisting, wage-cutting and early dismissal, but incessant warring against their unions. After the sanguinary Homestead strike, induced by the determination of the Carnegie Company to reduce wages, that tariff-nurtured corporation refused to have a union recognized within its plant. This policy it pursues to this day. And the still greater Steel Trust (United States Steel Corporation), which includes the Carnegie Company, is even now doing its utmost to destroy the union among its workmen — the Amalgamated Association of Steel Workers.

Countless times it has been explained that if larger wages are paid in this country than in Europe, they cannot result in a commensurate disadvantage to our manufacturers and other employers, because, taking one reason out of several, American workmen, considered as a whole, are the most intelligent and alert workmen in the world, and use the most machinery, which they are the quickest to improve.

Countless times has it been pointed out that such advantage as American workmen have in wages over European workmen is due primarily to the natural resources here, which, though now inclosed, may nevertheless be purchased on terms that will yield a better net result than may be obtained in Europe; and secondarily, to the organized resistance to reduction by workmen in the skilled trades.

Countless times has it been shown, moreover, that much of the advantage of the higher wages paid in America is lost in the greater cost of living here, where speculation in land has forced rents to exorbitant figures in and about

the cities; where the tariff-protected manufacturing monopolies have given extortionate prices to all the common commodities; where the privately controlled public-service franchise monopolies rob at every turn; and where the continuance of early habits makes obligatory a more generous style of living.

Mr. Judson Grenell, a careful and experienced sociological writer, made comparisons while traveling in Europe last year, writing:—

> A day's service brings much greater reward to the worker in America than to the worker in Europe. Otherwise nearly a million people would not yearly flee the Old World for America's shores in the happy and certain expectation of bettering their condition. In figures, a dollar-a-day man in the United States receives not over fifty cents a day in Europe, yet the purchasing power of the fifty cents earned in Europe is, in some directions, as great as the dollar earned in America. For instance, rents; again, keeping warm is cheaper. Clothing costs very much less; also linen, which, being more durable than cotton cloth, is really in the long run cheaper. Transportation is less, and also the cost of amusements. Bread, milk and vegetables are about the same, but meat is dearer in Europe. Still this latter item does not count for much, as Europe's wage workers do without it most of the time.
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> In a rough way, it may be said that $10 in Europe goes as far as $15 in the United States. It may also be said that the range of those things we call necessities in the United States is narrower in Europe. Therefore $10 a week to the Englishman, Swiss or German seems as good pay as does $18 a week to the artisan in the United States. On the whole, work is steadier in Europe than in the United States. But it is impossible to make comparisons that are absolutely correct, for wages vary between London and Manchester and English provincial towns, just as they do between New York and Boston and some New Hampshire hamlet.

American workmen give small heed to these facts, but their attention is being painfully arrested by another phase of the employment and wages question. They realize the growth of a prejudice against workmen gone past their early prime. Many of the great railroad systems, the great steel works, and other large manufacturing concerns, have in recent years announced, or, without announcing,

have quietly adopted a policy of engaging few workmen, skilled or unskilled, above thirty-five or forty years of age. Out of the great numbers of laborers asking for employment, these huge employing concerns can pick men in their early vigor and enthusiasm, dropping them for new ones when they have reached the age dead-line, or earlier if they get worked out. Thirty-five or forty is getting to be the age of superannuation.

Is there anything analogous to this in Europe? No; most assuredly not. Mr. F. Sydney Walker, connected in a director's capacity with manufacturing and banking institutions in Birmingham and elsewhere in England, freely talked to me of industrial conditions he found in this country, while on a tour of inspection not long since. He said substantially:—

"I have been amazed at the great number of young men I have found employed in your manufacturing plants. The number of old men everywhere seems entirely out of proportion to that which exists on our side of the ocean. Indeed, one might judge that there were no more old men in some of the lines of manufacturing in this country. One of the large concerns I visited — established in New England — seems to employ only young men; that is, no men older than thirty-five. They are all at their highest productive power. I came over here to look about, and especially to study the conditions of industrial competition, for I wanted to see in what respects we have advantage over you, and where the advantage is against us. Hence this matter of the age of workmen was something that I took note of from the beginning.

"In one of the places where I noticed this preponderance of young men I turned to the gentleman who was conducting me and said: 'How is it that I see so many young men? Are there no old men, or do not workmen here grow old?'

"The gentleman said: 'Oh, yes; men grow old here; but we keep only the younger men employed. We drop a workman after he passes his prime and put a young one

in his place. In that way we get the maximum of efficiency out of our labor.'

"'But,' I asked, 'have you no sentiment about the thing? How can you turn a man off just because he gets old?'

"My conductor answered: 'There is no sentiment about it. It is purely a matter of business. We have to buy labor. We buy the best we can get, irrespective of individuals. Young men are more efficient than older ones; so we select young ones out of the great number that offer their services. Sentiment is good in its place, but it has no place in business. It is to our interest to get the most alert, most vigorous, most agile and most adaptive labor possible. There is strong competition among workmen for employment, so that we have no difficulty in following the line of our highest interest and choosing young men.'

"'Well,' I remarked, 'that is hard on the man who passes his prime, isn't it?'

"His reply was that it was hard."

To all who are familiar with the state of industrialism in the United States this must be accepted as a true picture. Yet what significance does it have for the body of our workmen? Merely a superficial one, and false at that. They have no thought of the real basis of wages — the relation of the laborer to free natural opportunities. They see only restricted opportunities. They are conscious — painfully conscious — only of a contest among workmen to sell their services and a refusal of employers to give in payment more than they must. They see in this nothing more than two clearly defined opposing classes: those who sell labor and those who buy labor.

In this way all capitalists are thought to be against all laborers. And this seeming antagonism appears to be confirmed when monopoly privileges are, in common speech and even in much that passes for the teaching of political economy in our higher institutions of learning, classified as capital.

Now, as Abraham Lincoln has so plainly said, "capital

is only the fruit of labor, and could not have existed if labor had not first existed."[1] Capital is labor impressed on matter. It is used by labor in the production of wealth.

Monopoly is not capital. It is not an agency for promoting the production of wealth, but a power for checking or diverting it. Monopoly adds nothing to the power of production. It deals with distribution. It merely enables its possessor to appropriate what has been or may hereafter be produced. It really robs capital as it robs labor. This may be seen where monopoly power is in hands separate from those possessing capital. But it rarely is so separated. Usually the monopolist is also a capitalist. Monopoly privileges are in this way confused with and classed as capital, and the antagonism of spurious capital to labor is ascribed also to true capital. "Capital," we are told, "is against labor."

And we are also told that this opposition is in the natural order of things. The owners of privilege might preach this with complacency, since it justifies them in their attitude of superiority and their assumption that the "work-people" are created expressly to work for them. But why should laboring men shelter such a thought? Obvious to common sense is Lincoln's remark that if God Almighty had intended certain human beings to do all the work he would have given them all the hands, and that if he had intended certain other human beings to do all the eating he would have given them all the mouths. Yet laborers for the most part accept as natural the present order of things, where they do most of the work and least of the eating. They regard monopoly powers as capital. They conclude that because monopoly privileges rob them, "capital" is against them. They see no hope of redress save in organized resistance to capital. Their means of resistance are the strike and the boycott. Their alternative to these are truces or treaties, called wage agreements.

[1] First annual message, Dec. 3, 1861. See "Messages of the Presidents," Vol. VI, p. 57.

Now strike or boycott wars are no better than fights in the dark. Because certain men want a larger or object to a lessened share of the wealth they are engaged in producing, they strike work in concert and try to stop others from working in their stead. By this passive means they hope to compel the employers to surrender to their terms. Or they carry the strike principle further, and by the boycott try to isolate the employer and so force him to yield.

But this is not a natural order of things. It is unnatural. It is not enjoying the wages that are decreed by natural law. It is attempting to fix wages by human force — a force intended to be passive, but which is too often active. It is not a policy ruled by natural justice. It is dictated by a belief that the wages of laborers can be only such as can be exacted from capital. No heed is given to the fact that there is a law of wages among the ordinances of Nature just as real, just as certain, just as immutable as are the laws of light, heat, generation, growth, chemical affinities and gravitation. All attention is given to the campaigns of a militant trade unionism, upon the success of which is thought solely to depend stable or higher wages, stationary or reduced hours. Yet any who will may see that strikes and boycotts and trade agreements do not go to bedrock, which can be nothing else than natural justice. They are mere emergency expedients, resorted to when natural justice is ignored or violated. They fix nothing justly or permanently. They match force against injustice, which sows dragon's teeth that spring up armed men.

For every strike or boycott that is successful, many fail. One reason lies in the difficulty of inducing all available laborers or other persons to become strikers or boycotters, or their supporters. Another reason is the generally superior reserve power of the defense. The great strikes are really not against capitalists, but against monopolists — against the railroad and other franchise-holding corporations, the coal combines, or the great

tariff-fostered companies. Butressed behind government-made or government-fostered privileges, such monopolists can and do use the black-list and lockout, and meet strikers with the deadliest of weapons of which we will speak later.

Against such powers most strikers are foredoomed to defeat. Organized workmen generally do not realize this; yet even if they did their only policy at present would be to fight on.

The plea for the formation of a warlike trade union under these circumstances may be set forth in this way: it is a banding together of workers who find difficulty in obtaining employment. Under a natural order of things, where Nature's opportunities were not monopolized, there would be no such difficulty. But we are not following the natural order. Instead of a great and lasting demand for labor of every kind arising from freedom of natural agencies, there is a limited demand caused by the monopolization of those agencies. Laborers have to enter upon an intense competition among themselves for the thus restricted opportunities for employment. In order to control the supply of labor as nearly as possible, laborers join together and agree upon a scale of wages, hours of toil and other working conditions. This sets up the principle of "all or none." The employer finds himself confronted, not by a confused mass of laborers, each beseeching him for employment, and each ready to underbid the others until wages be forced down to a point of bare subsistence, but rather by an orderly body who say in effect: —

"We offer you our scale, at which any or all of us must be employed. None shall be employed save on these terms. Our motto is, 'Each for all, and all for each.' We must have these terms, or else we are agreed that none will work for you. While we do not embrace within our union all the workmen of our craft, yet we do count a sufficient number to make a great scarcity of the

kind of labor you desire should we refrain from labor for a time. We do not want to strike, for that would mean a loss of wages. We want employment and steady wages. But we want better wages, too. We have resolved that rather than engage in cut-throat competition, we will make a uniform demand for more wages. That being refused, we will in a body strike.

"These demands are based upon the average of abilities of our whole number. They are relatively below some men's abilities, relatively above others. The strong make concessions for the sake of including in their ranks the weak. Otherwise, being left out of the organization, the weak would be forced to seek employment for themselves. They would underbid the union rate, and, to that extent, lessen the effectiveness of the union demand. Therefore we embrace these weak ones, and reduce our scale accordingly.

"This might appear to work a great hardship upon the ablest men in the organization. It does in a sense. If they were to refrain from joining the union, and were free to sell their labor when the remainder of the laborers, banded in a union, were striking, they could get scarcity prices. Such prices would be at the expense of the striking union.

"But suppose there were no union at all. What, then, could the best workmen get? Not a scarcity price, but a competitive price — a price fixed by general strife among laborers for opportunities of employment.

"In other words, under present social conditions the average wages without a trade union must of necessity be lower than the average with one. While the superior workmen in going into a union lessens in point of compensation that distance between himself and the inferior union workmen that might possibly exist, if conditions of employment were free and there was an abundant demand for labor, yet it seems clear that this superior workman actually gets more with a union under the pres-

ent circumstances of monopolized natural opportunities and limited demand for labor than he would were there no union and Nature still monopolized. Certain it is that if there has been any advance in wages and shortening in hours, it has been due to unions. Without unions competition in the present limited state of employment would have reduced the mass of laborers to a far lower status than they have to-day."

Accepting the premises of *limited* employment, what other conclusion can be reached? But are the premises sound? Is there difficulty in getting employment? How often do we hear it said, "Any man who wants work can get it." Yet can he? I pick up the New York State Labor Bulletin for the quarter ending December, 1904, and find that of 385,770 wage-earners reporting to the Bureau of Labor Statistics, there were 9175, or 2.4 per cent. idle throughout the third quarter of the year, and that the average working days were 69.8. These figures relate to picked industries, and during a "prosperity" period.

The "want" columns in our city newspapers furnish more reliable evidence of the general out-of-work story. By chance the following news item presents itself as I pause in my writing: —

> The superintendent of the municipal lodging house of New York told the reporter that on the previous Saturday night, which had followed a snow-shoveling day, there had been but 207 applicants for lodging, whereas the number on ordinary nights ranges from 400 to 500. Little jobs at shoveling snow had put many men in condition to pay for lodgings. Having an opportunity to work, they sought no charity. Here is what the superintendent says of those who come to the lodging house when a snowstorm has visited the city: "We make it a point to see that they are aroused earlier than the others — about five o'clock — so that they may apply for a job at snow-shoveling. In spite of the remarks which are made by men who do not know, you ought to see how many of them jump at the chance to work, and hustle their clothes on in the morning. Most of them are not warmly enough clad to take a street-cleaning job. Yet many of them try it. They come back in the evening with their feet tied up in newspapers, their toes frozen."

After that read the utterance of a city magistrate in Brooklyn — and in what city will not be found magistrates to speak in the same way?

> I know of many men who are honest, sober and industrious, willing to work at anything — and for any wages — who cannot find employment. As a last resort, many of these men, who are homeless, without shelter or food, apply to the courts and are committed, at their own request, to the county jail and even to the penitentiary.

Of course there are bad years and good years, years of more and years of less employment. But at all times, a considerable number of men who are willing and anxious to work have difficulty in finding it; and, when found, it proves in a great proportion of instances only temporary, or, at any rate, not continuous.

In face of such facts there cannot be a universal organization of laborers into unions. Only those can be organized who are more or less skilled, and whose cessation of exertion would make a breach that could not at once be filled or could only be partially filled. And hence it is that, notwithstanding the vast multitudes of laborers in this country, and notwithstanding all the need they have to protect if not to better their working conditions, there are at the highest estimate not above two and a half millions enlisted in unions. Even in the skilled trades there are "open shops" and "closed shops," meaning places where employment is open or closed to non-union men.

This leads to coercion and other practices among the unions that are subversive of the public weal.

CHAPTER II

DANGERS OF UNIONISM

As we have seen, a militant trade union is not a natural, but an unnatural, formation. It does not come in the course of natural progress. It is a demand of warfare. It arises from a necessity some laborers feel to make defense against the encroachments of what they erroneously call "capital." Afterwards, as it becomes strong, it changes its policy from defense to offense. As in other warfare, this leads to much real as well as to much seeming injustice.

First of all, to the average man who has nothing to do with unions and who does not realize that privilege is shutting up natural agencies against labor, and therefore that employment is growing relatively scarcer, nothing can seem more against the American principle of personal freedom than to force a laborer against his will to join a union, whether the force used be moral or physical.

If a man is a free man, it is reasoned, if he belongs to himself, then he has a clear and indisputable right to sell his exertions as he will. Following the fundamental law of human nature, which impels him to satisfy his desires with the least exertion, he will sell his labor for the best price he can get. Then why should he join himself with others, taking for his labor only as much as they take for theirs, and refusing to work when they refuse to work? On what principle of justice can such a

free man be compelled to give up his freedom and be forced into the union?

On the principle that men are drafted unwillingly into armies for the defense of the state. On the principle that compels those who have necessaries to share with those who have them not in the emergency of a famine. On the principle that prompts the blowing up of houses lying in the course of a city conflagration. Rights of persons and property are infringed in these cases, but they are infringed for the general good.

And similarly, laborers form unions for warfare. They do not voluntarily so organize. They are driven to do so for defense primarily against the oppression of Privilege, which is miscalled "capital." They also feel that the compulsion realized by some should be made to bear equally on all laborers, since the more men that act together, the better the average benefit. It is for the common good of laborers that all join forces against the common foe. Therefore those who first organize resort to what the state does when volunteers do not take up her defense in time of need — they use compulsion; they draft other laborers. Their excuse is common necessity. Their motto is: "An injury to one must be the concern of all." They say that all skilled laborers should be in unions. They proceed to force such to join who do not freely do so.

This is not compatible with free conditions? No; but conditions are not free. Privilege controls the avenues of employment, and in that sense tends to enslave laborers. If trade unions are against the free exercise of personal liberty, censure should not be bestowed upon the unions without first condemning Privilege, which drives laborers to this course.

Keeping this in mind, we may fairly challenge the point of view taken by the distinguished president of Harvard University, Dr. Eliot, who honors the "scab" as representing the spirit of personal liberty among work-

ingmen.[1] As a matter of fact, the "scab" would not exist in free conditions. Existing in conditions of restraint or limitation upon labor, he presents rather a mean than an admirable character — that of one who would undercut his fellows when they are trying, and not unjustly, to put up, or at least keep up, the rate of pay.

There is more in the life of a laborer than mere employment. There is such a thing as fellowship, the touch of the elbow; that which produces *esprit de corps.* Man is not solitary in his habits; he is gregarious. He lives in groups. He likes to be associated with his fellows. From this association spring powers not merely of mental enjoyment, but of physical coöperation. It adds to and multiplies man's powers. This craving for association is just as natural to him as is that law in the physical world which relates to the mutual attraction of bodies. And as human beings seek and enjoy each other's society, so it follows that men will find most harmony by segregating, if only in a loose and free way, into crafts. This is not by any human rule or statute, or the following of any wise man's precepts. It is according to the inborn desires of our nature.

And if men naturally desire to associate with their fellows, is there not an added reason for laborers to associate when the purpose is to institute a militant betterment movement? "Scabs" are laborers who refuse to join this movement. They are induced by hard conditions not to adhere to the fellowship of their craft, but to desert and undersell it. Certainly there is no virtue in that.

It follows then that the "scab" may not possess the virtuous, hardy independence of spirit that we hear ascribed to him, but rather the mean one of advancing

[1] He delivered a series of addresses in Sanders Theater, Cambridge, before the students of the university, on industrial conditions, during April and May, 1904.

himself at the expense of his fellows, when they are fighting to advance the fortunes of all.

Yet not only is it said that trade unions invade the liberty of individual laborers in compelling them to join the unions, but that they force employers to organize in self-defense. It is true that some employers — competitive employers — are driven into what are called employers' associations. But while this may immediately be due to militant unionism, it is antecedently due to that which causes laborers to organize for warfare, that is to say, to the pressure of monopolies of various kinds.

And yet said President Charles S. Mellen, of the New York, New Haven and Hartford Railroad, in a recent public speech: "No one interest has done more to promote the trust or combination — the larger corporation — than organized labor. It has forced them into existence for protection from exaction."

Poor, weak things — these trusts and combinations and other privileged corporations! Laborers who have banded themselves together to save themselves from being ground to pieces by the great monopoly machine, have forced the building of the monopoly machine! What next? As well say that the crew of a merchantman who armed themselves and determined to sell their lives as dearly as possible, thereby called into existence the buccaneer craft they beheld crowding down upon them. As well accuse wayfarers of infesting a lonely highroad with robbers, when they drew knives and pistols for defense. So far from the buccaneers and highwaymen springing up because merchantmen and wayfarers armed themselves, the reverse was true. Merchantmen and wayfarers armed because buccaneers and highwaymen threatened.

But while we may no more agree with the railroad president about the origin of trusts, combinations and other privileged corporations than we do with the university president about the virtues of the "scab," we

cannot deny that a fast growing and centralizing trade unionism is potential for ominous results within the state if guided by unwise or unscrupulous leadership.

This centralizing movement is as obvious as the augmenting numbers of the unions. The extension of the principle of the "sympathetic" strike and the contribution from far and wide to enormous strike-war funds [1] attest that. The growth of the American Federation of Labor, embracing 1992 unions, aggregating a membership of one and three-quarter millions, attests that. But what attests it more than either is the "expansion" movement among the unions.

The printers, for instance, find that the developments of the craft have brought into close and reciprocal relations with it workmen of other crafts, like the stereotypers. The printers consequently desire to have their union in some way include the stereotypers, since the latter are indispensable to them. Likewise the coal mine workers say that the pump men and the engineers in the mines are really at one with them in general interest, and that these men should not form outside and totally separate organizations, but should be in some way closely affiliated. The brewery workmen in the same manner think that all the workmen about breweries, having a common interest, should be bound together, and not be broken up among various craft unions.

The advocates of this kind of union — by trade rather than by craft — who desire to bind in one union all the crafts belonging to a given trade, are called "expansionists." Those who oppose are called "autonomists." They aim to keep the crafts separately organized, no matter how much they may overlap each other in various trades. The autonomists are for the most part com-

[1] More than $2,600,000 were raised for the anthracite strike fund in Pennsylvania in 1902, of which $1,800,000 were paid out in strike benefits and in kindred ways. More than $400,000 of this money came from other unions and the public.

posed of the numerically smaller crafts. They fear, and reasonably, that absorption into the larger bodies will lose to the members of the small crafts whatever power their unions now give them for self-help. Since printers greatly outnumber stereotypers, the former might be expected to look more particularly after their own needs, and not so carefully after those of the stereotypers, as the stereotypers would were they acting as a separate organization. The stereotypers and printers have met this difficulty by keeping up their separate unions, but by agreeing each to support the other in a strike. This brings the closest unity of action between the two unions. A similar policy is likely to follow in all the trades of mixed crafts where the great expansionist unions do not absorb the smaller autonomist unions. But whether the unions merge or covenant, the end is the same — centralization.

Now the growth in numerical strength and the centralizing movement among the trade unions calls forth a power in no way provided for in our civil polity. It is not a power accountable to the masses of the people, unless it in some way infracts the general laws. Short of that it is responsible only to those who brought it into existence, who compose it and who direct it. Its policy is not the fundamental one of killing privilege, and so of ending the necessity of militant unionism among laborers. It assumes that privilege must not only continue to exist, but grow, and that the only recourse for workingmen is to extend their organization to meet it. John Mitchell says this frankly: "Whatever the advantage or disadvantage, the merits or faults, of trusts as they exist to-day, it is inevitable that industrial combinations continue to exist. . . . The lesson which the labor union should learn from the trust, is the absolute necessity for complete organization upon a national scale." [1]

Thus the course advised to meet augmenting privilege

[1] "Organized Labor," by John Mitchell, pp. 196–201.

is greater and more centralized labor unionism. With the wisdom and integrity of a Gompers or a Mitchell at its head, there might be reasonable assurance of good use of the great power this must bring. But here is power that is to a large extent extra-constitutional, and to that extent not to be called to account by the body of the people, as is that of corporate bodies and public servants under the civil law. Do men of wisdom and integrity come to the top where such irresponsibility exists; or coming to the top, do they stay? Experience shows that they do not as a rule. When men get power for which they do not have to account, they become corrupted by it and they abuse it; or else, resisting temptation and striving to use their power well, they are swept aside by the crafty and unscrupulous. Human nature remaining what it is, this must be the rule.

The chief aim of labor unionism is to raise wages and reduce hours. Is it not in the very nature of things that as time inures laboring men to trade union warfare to this end, they will become less and less sensitive to other things? Has not this a menace of a state within a state, or worse — of an armed camp within a state? Indeed, do we not see manifestations of this in the policy of some of the large labor bodies now? Is there not a frequent display of arrogance and arbitrariness? "We've got the power and we're going to use it," has often and often been the precursor of injustice.

One form of this injustice we have seen grow up. It is blackmail. Dennis Kearney in the smaller way in California and Samuel Parks in the larger way in New York are examples of this. They both obtained sums for their own pockets as an item in the price of peace with unions they represented. Nor was this a secret. It was known and talked about. So far from losing them their standing in the unions, it rather strengthened it. The tribute they extorted came, not out of the unions, but out of the employers — not out of the chosen people, but out of the

Egyptians. Parks was actually elected grand marshal of the Labor Day parade in New York when he was awaiting retrial on blackmail and conspiracy charges. Soon afterwards he was found guilty as charged and was sentenced to a term of imprisonment, from serving out which he was saved through death by consumption.

Sometimes a union's members not only know that blackmail is practiced by the leaders, but they sanction the practice with the expectation of sharing the spoil. An instance of this kind appeared in the case of one Lawrence Murphy, who was brought to trial in the Supreme Court of New York on the charge of embezzling from the treasury of the Journeymen Stonecutters' Association, of which he had been treasurer. His defense was not that he did not take the money. He admitted he took it, but he contended that in taking it he did not take what legitimately belonged to the union, since it had been obtained by blackmailing employers, and that therefore the union had no valid title to it. That is to say, the theft on Murphy's part was admitted, but his plea was that the union could not sue for something to which it had no true title, the laws of New York not recognizing extortion as constituting a valid basis for property. I attended that trial and heard Murphy's counsel — a brilliant ex-Assistant District Attorney — argue in defense of the prisoner and against the union in this style: —

> If a highwayman meets his victim in the night and takes his property, he cannot acquire title to such property, obtained as it was by duress, violence or threats. The man who steals from me by physical force, coercion or by fear he inspires in me acquires no title to the property he has taken from me. It has been held repeatedly by the higher courts, and I refer your Honor especially to the case of the People *vs.* Barondess, that to threaten to tie up a shop if money is not paid, and money on this threat is obtained, is extortion. Whoever does this is guilty of extortion, and he cannot have a clear title to money obtained by a crime.

The astonished judge exclaimed, "You do not seriously offer this as a defense of the prisoner at the bar?"

To which the counsel replied: "I certainly do. Stealing must be from the true owner. If these men [representatives of the union] went to the bosses and demanded money on the threat that they would declare a strike, they were guilty of extortion and have no title to the money thus obtained. The indictment in this case charged Lawrence Murphy with the theft of money from the true owner. I submit that he is not guilty of such a crime."

The judge answered that if the men representing the union obtained the money improperly the remedy against them lay in another proceeding. Murphy was found guilty of embezzling from the union — something he did not deny. He was sentenced to a term of imprisonment.

This case also furnished an instance of the way in which unions may, and the Journeymen Stonecutters' Association of New York did, use the club of extortion. The union fined 240 of its members $40 each for a cause not explained, not even in court. Of course the men could not pay this money themselves, and of course if they did not they would be suspended from the union. Suspended from the union, they would be outside of its jurisdiction, and therefore would rank as "scabs." An employer who gave employment to a suspended member would himself fall under the displeasure of the union. Non-union stonecutters not being numerous enough to warrant stone-cutting employers to act independently of the union, the only course for such employers to pursue in order to continue work on their contracts with union men was to pay the fines the union inflicted on its 240 members!

What is this but brigandage, even if practiced by a trade union? Yet if the existence of monopoly privileges primarily compel laborers in self-defense to band themselves into unions and then those unions use that power of combination to extort pelf, should we not go back to its source in condemning it? Trade union blackmail is but the spawn of monopoly privilege.

Thus there are cases where the unions mulct employers.

But there are also cases where they engage in a very different kind of and more far-reaching mulcting — cases where the unions contract with the employers to mulct the public.

Such agreements occur between highly organized unions and closely associated employers. Who are the employers who can thus associate? Not competitive employers; that is, not those in ordinary competitive lines, for competition would prevent such employers from making any but the loosest association. But those who possess government-made or sanctioned privileges, such as railroad franchises, coal and ore beds, can come closely together and thereby command a monopoly in their channel of business. They can and do openly combine or covertly form "gentlemen's agreements." By virtue of such fusing they are enabled to put up prices and thereby rob the public. These are not competitive, but monopoly, employers. Entering upon a treaty with the organized laborers in their employ, they agree to give certain pay for certain conditions of service. They thus obtain assurance, generally for a fixed term, against a strike or other interference, while they ply a purse-filching trade against the public.

The unions do not make distinctions between competitive and monopoly employers. They engage in collective bargaining relatively on the same terms with all who wish to buy their labor. They consider that their first duty is to themselves, that the public can take care of the trusts as it pleases. They say substantially, "Trusts may or may not be natural, yet while we must live under them, we only follow the primary law of human nature — that of self-preservation — in making the best bargain we can with them."

Now, this collective bargaining may with the growth of unionism lead to what has been called the "arthurization" of the labor movement. The word "arthurization" is drawn from the name of the late P. M. Arthur, who for more than twenty-five years was Grand Chief of the Brotherhood of Locomotive Engineers and who brought

that organization to the point of highest perfection. Mr. Arthur had earlier in life been a locomotive engineer. He had gone through the Pittsburg strike and riot of 1877, which cost the Pennsylvania Railroad so dear. Out of it he emerged with a scheme to have the engineers, as a union, make the best terms possible with the railroad companies and "go it alone," regardless of other bodies of labor and also regardless of public rights the railroads were overriding. He rose to the head of the organization and remained there until he died, largely, no doubt, by successfully appealing through this policy to the self-interest of the men; but somewhat, I have been credibly assured, by a watchfulness against all opposition, — even going to the length, it is thought, of secretly requesting railroad managements to send certain men off on special runs to prevent their participating in Brotherhood elections that might prove inimical to Arthur's policy and power.

Once in a while the engineers had to fight the railroads, but this was rare. Generally there was peace. They went on serving the railroads, regardless of how the railroads were treating the public. And it is certain that the shackles of hard conditions have been kept on all other railroad employees and that many an opportunity for betterment of general railroad employment has been lost because the railroad engineers turned a deaf ear to appeals for a united labor demand. The engineers refused to listen because Chief Arthur, speaking for them, made substantially an offensive and defensive alliance with the railroad companies and severed all ties of kinship with other labor bodies. For this alliance with the monopolies, that were not only enemies of his fellow-workingmen, but the robbers of the general public, Chief Arthur obtained special concessions; and he could, by making his demands moderate, at most times get concessions for the engineers from the transportation corporations.

The Arthur policy of aloofness from other labor bodies will, with the growth and centralization of trade unionism,

probably soon yield to coördination. That is to say, trade unions will not fight each other; they will act together. But will this not put them in a better position to carry on the other feature of Arthur's policy — to make treaties with monopoly employers?

Some unions make the grossest kind of such treaties even now, without the least pretense of hiding them. For example, the Coal Teamsters' Union of Chicago "hunts the public" in company with the Coal Team Owners' Association. The latter is the delivery department of the Coal Trust. The Coal Trust controls the mineral. The coal teamsters entered into an understanding with the trust by which the teamsters received more wages, the trust got a higher price for its coal — and the public suffered a further hold-up.

Sometimes these wage agreements help to build a monopoly combination. It was charged and was generally believed that when the house-building George A. Fuller Construction Company moved from Chicago to New York it brought Samuel Parks to "scab" for it and then to control the Bridge Builders' Union in New York for it. During the early summer of 1903 a lockout of bridge builders engaged in house construction occurred. It was a general lockout, with the single exception of men employed by the Fuller Company. Respecting this, Mr. Ray Stannard Baker, in an article in *McClure's Magazine* for November, 1903, said: —

> During the whole time of the lockout the man on the street may have noticed that work on many new buildings, some of the most important in New York, went forward without interruption, quietly, persistently. Further inquiry would have shown that all, or nearly all, of these buildings were under contract by a single concern — the George A. Fuller Construction Company. Now, why was this company working when all the other builders of New York were idle? How did it rise superior to strikes and lockouts? Had it solved at last the labor problem?

The Fuller Company, itself capitalized at $20,000,000, was at that very time owned and operated by a still larger

corporation, the United States Realty and Construction Company, capitalized at $66,000,000.

Other monopoly companies have endeavored to influence the labor unions by offering to its members (not in the aggregate as forming the union, but separately as individuals) stock in their respective companies at a reduced or "ground-floor" price. The United States Steel Corporation (Steel Trust) has in this way enlisted more than twenty thousand of its employees for three things: continuance of the trust, peace between trust and union, and high steel prices for the public. A similar policy has been tried to a limited degree by some of the large railroads, and has proved more or less successful.

I recite these things to show what trade unions now actually practice and to suggest that if Privilege shall continue to exist and, continuing, shall cause unionism to strengthen in numbers and centralization, there is serious reason to fear that strong and unscrupulous individuals among the unions, such as work their way to the top wherever power resides, will use the great labor movement to get a larger tribute out of Privilege and directly or indirectly out of the public as well.

Nor will the use of "labor-crushing" devices by Privilege lessen the likelihood of this. It will, on the contrary, strengthen it, since it will in the end force closer organization among laborers. Most important of the powers used by Privilege to "crush labor" are court orders and soldiers. These are so important as to require subsequent consideration in separate chapters. But we may here speak of the lesser powers employed.

First of these may be named the "Free Companies." They are large or small bands of workmen who can at short notice be set in the places of striking or locked-out men. The members of these bands are drafted from all parts of the country and, under what are virtually contracts, are carried from point to point as strike troubles arise: now to New York on a subway railroad strike, per-

haps next month to San Francisco where a surface street railroad strike is threatened. The generality of these strike substitutes are good-for-naughts, or men rendered desperate by the bitter strife for a livelihood. They are banded together like those prototype "Free Companies" of mediæval Europe, which sold their swords to any cause and put cities to ransom. If forms differ, the principle is the same. The "Free Companies" of to-day sell their services to any cause to which they can be adapted. They ask no questions as to who is in the right or who in the wrong, or what is the eternal justice of things. They want a living. They see no easier way of getting it than by taking the pay of Privilege to fight their brother laborers.

If the National Association of Manufacturers has little resemblance to the "Free Companies," it nevertheless is a serious embarrassment to labor unionism. This association was organized among a number of large manufacturers about ten years ago for joint effort along lines of mutual interest. One of the first matters to engage its efforts was the development of export trade. Other matters followed. But the labor question became paramount. The manufacturers in this association were large employers. Some of them belonged to the great trust combinations, possessing railroad, tariff and other government-made privileges. They denounced the "arrogance" and "tyranny" of militant trade unionism. They opposed it and declared for an "open-shop" policy under which they said they would employ men showing best ability. To the laborers this was serious, for, as Professor John R. Commons of the Wisconsin University said in an address before the American Economic Association last year, "No amount of protest or solemnity of promise, and especially no appeal to the Declaration of Independence from those protected by a tariff that violates the Declaration, can persuade the unions that the employer wants the open shop except to get his labor below the union rate."

The execution of this plan to "free labor" fell to Mr. David M. Parry, president of the association. His friends take pride in telling how twenty years ago Mr. Parry was a blacksmith, then became a wheelwright, and from that arose to buggy manufacturing, until now he has in Indianapolis the largest factory in that line in the world.

Mr. Parry masterfully set himself to strengthening his organization. He succeeded wonderfully. His association now includes approximately three thousand of the great manufacturers in the United States. It has an extensive information and correspondence bureau in New York, and publishes fortnightly a newspaper devoted to its interests. It has been a vigilant and bitter opponent of all eight-hour and anti-injunction legislation, stamping such as "class" legislation.

But this was not enough. The members of the Manufacturers' Association wanted to go more actively into the local strike and boycott field than the other aims of their organization would permit. With that in view, a separate organization was formed, called the Citizens' Industrial Association of America. Besides the heads of great manufacturing plants, it is composed of employers' associations, anti-strike and anti-boycott associations, strike insurance associations and Citizens' Alliances. Mr. Parry was elected president, and the Citizens' Industrial Association's purpose was announced to be to protect free labor. The word "free" did not mean free from the shackels of Privilege, but free from the fellowship of trade unions; free from "the acts of violence of organized labor."

The Citizens' Industrial Association of America is intended to be active only in times of strike or in boycott crises. Yet if we are to judge of its methods by those found to be employed by the Citizens' Alliance of Colorado when I made a formal examination into the conditions of the great miners and smelters' strike there a year ago, those methods must without hesitation be pronounced

utterly lawless and subversive of civil rights and civil order.

Composed of representatives of the railroads, the mining and the smelting monopolies that rule that State, together with associated or dependent bankers and newspaper proprietors and editors, and including all the merchants and storekeepers and their clerks who could be coerced into joining it, the Citizens' Alliance instigated the Governor, State militia and State Supreme Court to seize men whose only crime was that they were known to be trade unionists, clapped them into prison without warrant and even without the preferring of formal charges, kept them there without pretense of trying them, and shipped them out of the State under military escort by car and train loads when the prisoners persistently refused to renounce their unions and join the Citizens' Alliance. With the backing of the soldiers it also invaded and searched domiciles without legal process; sacked a trade union coöperative store; at the muzzle of loaded revolvers forced a sheriff and a member of regularly elected town officials to resign from office and substituted men of its own choosing. It even drove out judges who ventured to threaten it with legal proceedings and punishment. It even went the length to admit that there was no civil law in all this. Its plea was that the "best elements" in the community had had to set constituted laws aside and adopt vigilant methods against "trade union secret assassination" and "wholesale murder by dynamite." Yet though ample time has since elapsed, not one of the specific charges has ever been proven in court, and some of them have never even been brought there. No greater blow was ever delivered against American liberties than was struck in Colorado by the Citizens' Alliance with the help of the militia and in the interest of the corporate privileges of that State. Yet it was all done under the plea of protecting life and property and of "freeing labor from the thraldom of trade unionism."

Such methods may in places and for a time break the power of labor organizations. But the reaction will come and laborers become the more closely organized for resistance. And they will evince marvelous self-restraint if they do not use the club fashioned by the "better element." Elsewhere than in Colorado soldiers have been used and everywhere the injunction order is being applied, as we shall in subsequent chapters see. But so long as Privilege exists to crowd down laborers in their pay, labor unionism will grow in power for passive or forcible resistance.

The alternative to such strife — Privilege continuing — is the treaty: an industrial agreement between organized privilege and organized labor. In that event let the nation beware. It will come to realize that it has two vast standing industrial armies quartered upon it. One army will be the army of Privilege; the other, of laborers. Refraining from blows, they will agree to share, even if unequally, the advantages of Privilege, and together they will eat out the substance of the nation.

BOOK V

WEAPONS OF PRIVILEGE

Men may construe things after their fashion,
Clean from the purpose of the things themselves.

— SHAKESPEARE: *Julius Cæsar.*

When he speaks not like a citizen,
You find him like a soldier.

— SHAKESPEARE: *Coriolanus.*

CHAPTER I

USE OF THE COURTS BY PRIVILEGE

TOWARD the end of his life, Thomas Jefferson spoke of the judiciary of the United States as a "subtle corps of sappers and miners constantly working under ground to undermine the foundations of our federated fabric." [1] And certain it is that the Federal courts have had a great share in the movement toward centralization of political institutions in this country. They have also been "a subtle corps of sappers and miners" in ways of which Jefferson had not the remotest surmise. They have been a most potent weapon in the hands of Privilege to crush strikes and break the back of trade unions. "No weapon," says John Mitchell in his book, "has been used with such disastrous effect against trade unions as the injunction in labor disputes. It is difficult to speak in measured tones or moderate language of the savagery and venom with which unions have been assailed by the injunction." [2]

Now as Jefferson has said, if the question arose as to whether the people had better be omitted from the legislative or from the judiciary department of the Government, it would be better to leave them out of the legislative, since the execution of the laws is more important than the making them.[3] Yet the body of the people are as a general

[1] Letter to Thomas Ritchie, Dec. 25, 1820. Jefferson's Writings, Ford Edition, Vol. X, p. 169.

[2] "Organized Labor," p. 324.

[3] Letter to L'Abbé Arnond, Paris, July 19, 1789. Jefferson's Writings, Ford Edition, Vol. V, p. 102.

practice most effectually left out of the judiciary, the Federal judges being appointed almost wholly from the ranks of attorneys representing the great monopoly corporations. This may to some degree be due to the fact that other fields do not yield equal opportunities for the display of experience, ability and learning. Certain it is that other fields do not afford like opportunities for money-making, either in respect to fees or "business openings" in partnership with Privilege. This has become particularly manifest during the last decade. Mr. Bryce noticed it during his recent trip to this country, saying subsequently: —

> Lawyers are now to a greater extent than formerly business men, a part of the great organized system of industrial and financial enterprise. They are less than formerly the students of a particular kind of learning, the practitioners of a particular art. And they do not seem to be quite so much of a distinct professional class. Some one seventy years ago called them the aristocracy of the United States, meaning that they led public opinion in the same way as the aristocracy of England led opinion there. They still comprise a large part of the finest intellect of the nation. But one is told that they do not take so keen an interest in purely legal and constitutional questions as they did in the days of Story and Webster, or even in those of William M. Evarts and Charles O'Conor. Business is king.[1]

Of course what Mr. Bryce means by "business" is business with a monopoly element in it; business conducted around some government-made or fostered privilege. For mere competitive, unprivileged industrial or commercial business offers no enormous money-making. But as the attorneys for public franchise corporations, as the spokesmen for tariff-nurtured trusts, as the counselors for bond syndicates, as the legal guides, philosophers and friends of individuals or companies holding rich privileges in coal, oil, timber, urban and suburban lands, these lawyers grow rich. The late James C. Carter, toward the

[1] "America Revisited: the Changes of a Quarter Century," *The Outlook*, March 25, 1905.

end of his life the undisputed leader of the American bar, left an estate worth a million and a half. He acquired it through "corporation practice" and the taking advantage of "business openings." Yet he was not regarded as a money-making man, and it is probable that many of our practicing lawyers, starting with only sufficient to pay their office rent, have acquired fortunes far larger than the Carter estate. Since the monopoly corporations endeavor to retain for their service all lawyers revealing the highest capabilities, and since the pay and honors in such service are generally large and frequently are very great, as against small and uncertain pay and indifferent honors in the service against them, most first-rate lawyers will persuade themselves that their proper course as attorneys lies on the former side, even though their private judgments, if taken abstractly, might be found opposing.

It is from the ranks of such men that the Federal court benches are almost altogether filled — men who have come more or less directly out of the employ of Privilege. It is needless to cast a breath of suspicion against their integrity to perceive that a bench made up of judges drawn from such sources will lean in the direction of Privilege. Judges are no less human than they were before they put on the judicial gown. They may have the most scrupulous intention to deliver even-handed justice, but they will construe justice *from their own point of view;* and their point of view must have been affected more or less in favor of Privilege by formerly being in its service. We can easily appreciate how the reverse would be true were the judges drawn from those serving as attorneys for trade unions, and how the cry would be raised, and not improperly, that the trade unions had captured the judiciary. So may it be said that the monopoly corporations have captured the judiciary; that Privilege, which has first tested attorneys in its service, has afterwards obtained their appointment to the bench.

And as with the United States courts, so to large extent,

if not quite so fully, is it with the higher State courts. The reason why it does not obtain so fully is that there the judiciary is nearer to the body of the people which elects its incumbents. Yet in nominating conventions and in the canvass for votes the open support or secret influence of the public franchise or other privilege-owning corporations is employed for their favorites. Even in cases where this is not so, it is frequently seen that the monopolies pay assiduous homage after election. The most subtle means of doing this is supplied by the railroad pass favor, touching which the following from a practicing lawyer, who for obvious reasons withheld his name, appeared in one of the Chicago newspapers (*Chronicle*, March 6, 1904): —

> It is common knowledge among Chicago lawyers that as soon as a judge is elected to the bench his mail is full of passes from all directions sent him by both State and inter-State companies. It is difficult to see why the railroads should do this, except that they expect some advantage from these free gifts. I believe that, if the commissions make a full investigation on this subject and an exposure is publicly made of it, the facts will show that every county judge in the one hundred and two counties and every Supreme Court judge, including the Federal judges, is tendered yearly passes. The extent to which they are accepted can only be surmised. This point should be established and made a matter of record. Some judges spurn the passes, others use them. The people should know who they are. It is not the claim of any lawyer who is in favor of breaking up this practice that a railroad pass will affect the decision of a judge in an important case, yet the question remains whether any one for a moment supposes that railroad companies grant these favors without an expectation of getting something in return.

If trade unions were to procure the appointment or election or favor of judges they would be expected to use those judges in their own behalf. Privileged companies who *do* procure such appointment, election or favor appear to use it to issue enjoining orders.

An injunction has been defined in law as an order or process by a court possessing equitable powers operating upon the person, requiring the party or parties to whom

it is directed to do or to refrain from doing some designated thing. Originally it was used in restraint of action, but recently it has come to be used to compel action, and it is now being used to restrain where there is full legal right to act, or where the law, forbidding, provides a punishment; the penalty of disobedience to the restraining order being a summary sentence by the court disobeyed, or without trial by jury or respect to whether or not the person or persons so punished for disregarding the court order were only doing what they had a right under the law to do.

The court of equity began its operations in England (whence we get our legal practice) at a time when the ordinary judicial trials and processes being used by the nobles in their own behalf, the humbler subjects made petition for redress to their sovereign, or rather to the "keeper of the King's conscience," the Chancellor, who usually was a priest. Upon this hearing the petitioners were dismissed, or else a decree was issued by the King, or by the Chancellor in the King's name, granting the petition and ordering it to stand as if by legal proceedings. From this the Chancellor developed into a judge, who, acting without a jury, issued mandates in cases where there was no adequate remedy at law.

At outset the equity jurisdiction was of wide latitude and its decisions were reproachfully described as varying with the size of the Chancellor's foot. It was susceptible of being turned, like captured guns, against the very class of people it was devised to help. No better illustration of its early tyranny can be found than in the workings of the infamous English Star Chamber. This body, with the Chancellor at its head, and working without a jury and by summary process, under plea of reaching cases not determinable by common law, delivered arbitrary decisions and administered cruel punishments in furthering exercise of the right of absolute power asserted by the Stuarts. But while the Star Chamber fell with the head

of Charles I, the practice of equity was continued under rules that calculated to keep the Chancellor within proper bounds. The Chancellor's court and the law courts were, however, kept distinct, the latter to give judgments after a trial by jury, the former to issue decrees after hearing before the Chancellor.

But in the adaptation in this country of English legal and equity usages, our Federal courts and most of the courts of our States have come to embrace both functions. Our judges are both law judges and equity judges. They conduct trials before juries; they also issue decrees without juries. With what result? That, armed with the power to command, judges, who before ascension to the bench were formerly the representatives in litigation of monopoly corporations, issue, while sitting in "chambers," mandates against bodies of workmen with whom such corporations may be in conflict, and refrain from bringing the case into court for trial before juries. This is not to question the integrity of such judges. It is only to say that they follow the rules of human nature and continue to think and act on the bench as they were accustomed to think and act before they went there.

Let any who will gainsay this answer how often these judges in their equity practice follow the precepts of that branch of jurisprudence: "Equality is equity;" "He who asks equity must do equity;" "He who comes into a court of equity must come with clean hands." How often do our judges sitting in equity inquire into the preceding conduct of, say, great coal companies or of railroad companies when they petition for restraining orders? Is it not the common usage not to make any inquiry at all, but to issue the decree at once, and on a mere *ex parte* statement?

Then, too, it is a fixed principle of the equity court that an injunction should not be issued merely to prevent the commission of crime, because a court of equity has no criminal jurisdiction. An injunction should not be issued

when there is a remedy at law, or when the facts or the law are in doubt. Do our courts observe these limitations? Not at all. "Courts of equity," says a courageous jurist in New York City — Justice Samuel Seabury of the City Court — "have traveled over the whole field of human action to restrict whenever it has seemed to the individual judge that restraint should be imposed. . . . The ridiculous extreme to which their power has been stretched is nowhere better illustrated than in the opinion of the Texas Court of Appeals, sustaining an order punishing a defendant for contempt of court for violating an injunction which prohibited him from attempting to alienate the affections of his neighbor's wife." [1]

That is to say, mixing what men have a right to do, such as peaceably to persuade, with what they have not a right to do, but for the doing of which they are punishable under the law, a restraining order may forbid all alike. To ignore this order is not to bring the case for jury trial as to the law and the facts. Men's rights under the law have nothing to do with it. The question to be determined is: Was the restraining order ignored? If it was, then those who ignored it were in contempt of court. For such contempt they are punishable by the judge who issued the order, no matter how fully they might, if they could but get a jury trial, prove they were within their legal rights when they disobeyed the restraining order.

It is true that the injunction when first issued is only temporary. The theory upon which the court is supposed to proceed is that it will grant a petition for a restraining order pending an examination of the matter to decide if such restraint should be made permanent or be dissolved. But in most injunction cases the date for argument for a permanent injunction is far removed, and the enjoined persons are in the meanwhile so tied up by the temporary order and confronted with summary punishment for contempt of court if they ignore it, that the tem-

[1] "The Abuses of Injunctions," *The Arena*, June, 1903.

porary injunction is just as effective as a permanent one in killing hand-to-mouth strikes.

Our practice of applying injunctions to labor disputes originated with a case in England in 1868. Upon that foundation all our wonderful edifice of industrial court orders has been built up. And yet mark how unsubstantial this foundation! The English case is known as Springhead Spinning Co. *vs.* Riley (6 L. R. Eq. Cas. 551). In that case members of a labor union were restrained from issuing placards which requested "all well-wishers" of the union "not to trouble or cause any annoyance to the Springhead Spinning Company Lees by knocking at the door of their offices, until the dispute between them and the self-actor reminders is finally terminated." Vice-Chancellor Malins, who sat in the case, held that the defendant workmen were in this issuing of placards guilty of "threats and intimidation, rendering it impossible for the plaintiffs to obtain workmen, without whose assistance the property became utterly valueless for the purposes of their trade." The court therefore held that it should interfere by injunction to restrain such acts, insomuch as they also tended to the destruction or deterioration of property.

But this injunction order was only temporary, and the Vice-Chancellor had some doubts as to whether it would stand on subsequent hearing, should argument be made for making the order permanent, for no precedent for such action existed. He said:—

> In the present case, the acts complained of are illegal and criminal by the Act of George IV. . . . Upon the general question whether this court can interfere to prevent these unlawful proceedings by workmen issuing placards amounting to intimidation, and whether acts of intimidation generally would go to the destruction of property, that will probably have ultimately to be decided at the hearing in the case.
>
> In the meantime I would only make this observation, that by the Act of Parliament, it is recited that all such proceedings are injurious to trade and commerce, and dangerous to the security and personal freedom of individual workmen, as well as to the security of the prop-

erty and persons of the public at large; and if it should turn out that this court has jurisdiction to prevent these misguided and misled workmen from committing these acts of intimidation, which go to the destruction of that property which is the source of their own support and comfort in life, I can only say that it will be one of the most beneficial jurisdictions that this court ever exercised.

That is to say, Vice-Chancellor Malins thought that if, when on motion to make the injunction permanent, the court should be found to have authority so to act, such enjoining order would be found beneficial to the workingmen against whom it operated! Similarly, it was argued in the Southern States that chattel slavery was beneficial to the slaves.

The motion to make this injunction permanent apparently never was argued, and the case ended there, probably for the reason that the temporary injunction broke up the strike, and the court order lapsed into desuetude.

A year later, 1869, Vice-Chancellor Malins, in the case of Dixon *vs.* Holden, issued another temporary injunction of the same kind. This order, like that in the case of Springhead Spinning Co. *vs.* Riley, was not appealed to a higher court.

But in 1875 both these cases were cited as furnishing precedents for an injunction case carried to the Chancery Court of Appeals, and known as the Prudential Assurance Company *vs.* Knott (10 L. R. Chancery Appeals, p. 142, 1875). Then that highest equity tribunal deliberately and unanimously repudiated Vice-Chancellor Malins's action. Ground was taken that the court had no jurisdiction to restrain publication of a libel as such, even if it is injurious to property. In reference to the Vice-Chancellor's restraining orders of six and seven years before, Lord Chancellor Cains of the Appellate Court said:—

I am unable to accede to these general propositions. They appear to me to be at variance with the settled practice and principles of this court, and I cannot accept them as an authority for the present application. I think that this appeal must be refused with costs.

Lord Justice James said:

> I think that Vice-Chancellor Malins, in the case of Dixon *vs.* Holden, was, by his desire to do what was right, led to exaggerate the jurisdiction of this court in a manner for which there was no authority in any reported case, and no foundation in principle. I think it right to say that I hold without doubt that the statement of the law in that case is not correct.

Lord Justice Melligh said: "I am also entirely of the same opinion."

Could anything be stronger and clearer than this? The Chancery Court of Appeals unanimously negatived Vice-Chancellor Malins's action on the ground that it was "at variance with the settled practice and principle" of the Chancery Court; that it had "no authority in any reported case"; that it had "no foundation in principle."

Yet clearly and emphatically as all this appears in the law reports, in 1888 — twenty years after the Springhead Spinning injunction, and thirteen years subsequent to that injunction's repudiation by the English Chancery Court of Appeals — a Massachusetts court, in the case of Sherry *vs.* Perkins (147 Mass. 212), took Vice-Chancellor Malins's action as a precedent for the issuance of a similar restraining order. It was held that the displaying of a banner constituted intimidation, deterring others from working for the employer. The only visible sign of a conspiracy which the court found to exist was the following inscription upon a banner: "Lasters are requested to keep away from P. P. Sherry's. Per order L. P. U."

This enjoining order of 1888 in the Sherry *vs.* Perkins case began the long procession of American injunctions in labor disputes. And then when this plant, which had been uprooted from English soil, took root in American soil and grew to size and strength, behold what happened, all ye who put your faith in the consistency of courts! The English Chancery courts began to cite the American equity courts for injunction precedents, en-

tirely ignoring the former declaration of its own Chancery Court of Appeals that all such action was "at variance with the settled [Chancery] practice and principle."

To pile wonder on wonder, the Canadian courts have now begun to cite those recent English Chancery cases for the issuance of restraining orders, and doubtless ere long our courts will quote the Canadian judges as additional injunction authorities.

Thus, while an attorney for a great monopoly corporation will now quote a perfect cloud of American and English labor injunction authorities, the facts are that they all sprang up in America since 1888, and that in England and America they came from a single temporary injunction issued by an English Vice-Chancellor in 1868, who had some doubt of his jurisdiction; which jurisdiction was subsequently declared by the highest equity court in England not to exist.

Upon such a foundation rests the recent great construction of labor injunctions.

CHAPTER II

GOVERNMENT BY INJUNCTION

HAVING seen the nature and the origin of the recent form of the enjoining power of the equity court, let us observe the manner of its application.

While noting the difficulty of recognizing any controlling principle in the general mass of injunctions used, Judge Seabury divides them into three classes, to wit: —

First. Those cases where the courts hold that force, violence and intimidation constituting a crime have been resorted to.

Second. Those cases which are based upon the Federal act of 1887 regulating inter-State commerce and the so-called anti-trust law of 1890.

Third. Those cases where the application commends itself to the judgment of the judge to whom it is addressed.[1]

Judge Seabury, giving idea of the rapid development of the injunction principle, says that between 1888 and 1891 several injunctions were issued in labor disputes, prohibiting solicitations, threats, parading with banners, putting out circulars and other ways of making a boycott effective. These injunctions were all granted upon the ground that a conspiracy existed, and irreparable damage to property would result unless a court of equity interfered. Then came the next leap forward.

"In 1892," says the judge, "an injunction was issued against a miners' union in Idaho, prohibiting the miners from entering upon mines of the Cœur d'Alene Consoli-

[1] "The Abuses of Injunctions," *The Arena*, June, 1903.

dated and Mining Company, or from using force, threats, or intimidations preventing employees from working.[1] The ground upon which the court claimed to grant this injunction was not to protect private rights, but to preserve the public peace, and thus protect public rights."

In 1893 a further step was taken by Federal Judge Taft who prohibited Grand Chief Arthur of the Brotherhood of Locomotive Engineers, and commanded him to rescind an order which he had already given boycotting a railroad (Toledo *vs.* Pennsylvania, 54 Fed. Rep. 730). The injunction was issued upon the ground that the Inter-State Commerce Act imposed certain public duties upon the railroad company, the omission to perform which constituted a crime; that Arthur had conspired with others, by means of a boycott, to make it impossible for the railroad company to perform its obligations, and, therefore, Arthur and his associates were guilty of a crime which constituted irreparable injury to the public as well as to the railroad company. For this reason he was enjoined.

Then came Federal Judge Ricks with the declaration that while railroad engineers might by a boycott in such circumstances be guilty of a crime, yet that engineers who refuse to haul cars in obedience to a rule of the labor union "and in good faith quit their employment before starting on their run, may not be in contempt" (54 Fed. Rep. 746). That is, if they resign from their employment while in process of a run, they are in contempt; but if they do so before a run has begun, they are not in contempt, notwithstanding the existence of a contract; since such employees are "exercising a personal right in quitting unconditionally and absolutely, which cannot be denied them."

From this Federal Judge Jenkins, when a strike was threatened by the employees of the Northern Pacific Railroad, owing to a reduction in "salaries and wages," not

[1] "Cœur d'Alene Consolidated and Mining Co. *vs.* Miners' Union, 51 Fed. Rep. 260.

only enjoined the men from so quitting the service of the railroad, "with or without notice, as to cripple the property or to prevent or hinder the operation of said railroad," but declared that they can, in effect, be compelled to assent to a new contract where the refusal to do so would result in "crippling the property or preventing or hindering the operation of said railroad" (Farmers' Loan & T. Co. *vs.* Pas. R.R. Co., 60 Fed. Rep. 803).[1]

But in all respects the most celebrated injunction case was that growing out of the Pullman strike in 1894. In consequence of a refusal by the Pullman Company to arbitrate the question of a proposed reduction of wages, the employees struck.[2] The American Railway Union, of which the Pullman employees were members, then declared a boycott on all Pullman cars. On July 10, Eugene V. Debs, president of the union, was arrested on indictments of obstructing the mails and inter-State commerce. He was arraigned, but, despite his demands to be tried, the case was abandoned by the prosecution — for want of proper evidence, it was commonly believed at the time, in absence of adequate explanation. President Cleveland's Strike Commission subsequently declared, "There is no evidence before the Commission that the officers of the American Railway Union at any time participated in or advised intimidation, violence or destruction of property." But if a jury would not punish when it had no evidence, another way might be found. It was found through an injunction without a jury.

An "omnibus" enjoining order was, on July 17, issued by Federal Judges Woods and Grosscup against Debs and the officers of his union, all of whom it specifically named. It also included all persons whomsoever (158

[1] See this and the Taft and Ricks injunctions reviewed in House Report No. 1049, Fifty-third Congress, second session. Besides being published separately, this report is republished in Senate Doc. No. 190, Fifty-seventh Congress, first session, pp. 122–143.

[2] See Report of Commission of Investigation, Senate Ex. Doc. No. 7, Fifty-third Congress, third session.

U. S. 564). It was served on some persons in the accustomed way by presentation in person; but on all the persons not named it was served by publication in newspapers, tacking on telegraph poles and on freight cars and reading aloud to a great crowd of strikers and others.

Presumably on the ground that the American Railway Union was obstructing the United States mails in spite of the restraining order, although the soldiers that President Cleveland insisted on sending into Chicago were sent to the stock-yards district, where there were no mail cars, Debs and others were arrested for contempt of court. They were not sentenced until December. Judge Woods, without trial of the cases before a jury, condemned Debs to six months' imprisonment and his associates to three months'. Appeal was taken to the Supreme Court for release on *habeas corpus*, the ground being that an equity court had no right to issue such an injunction, and thus deprive men of trial by jury. But the higher court sustained the lower one.

A legal writer of high standing, Mr. C. C. Allen, sets forth the progress of the injunction principle up to that time in this way: "The Attorney-General of the United States, acting for the United States in the exercise of its sovereignty as a nation, has sued out injunctions in nearly every large city west of the Alleghany Mountains. Injunction writs have covered the sides of cars; deputy marshals and Federal soldiers have patrolled the yards of railway termini, and chancery process has been executed by bullets and bayonets. Equity jurisdiction has passed from the theory of public rights to the domain of political prerogative. In 1888 the basis of jurisdiction was the protection of the private right of civil property; in 1893 it was the preservation of public rights; in 1904 it has become the enforcement of political powers." [1]

And most of this change came under the Sherman Inter-

[1] "Injunctions and Organized Labor," 17th Report of American Bar Association, p. 315.

State Commerce Act, which organized labor had done so much to have passed against the trusts. Such a possible use of the law had never been dreamed of by workmen, whereas what they deemed the essential feature of it was made a dead letter. President Cleveland during the Pullman strike actually selected as special counsel for the United States Government, at Chicago, Mr. Edwin Walker, who was at that very time general counsel for the General Managers' Association, representing the twenty-four railroads centering or terminating in Chicago, and operating in utter defiance of the Sherman Anti-Trust Law.[1]

But the injunctions have not stopped there. "The courts have not only prohibited persuasion, when accompanied by intimidation and threats," says Judge Seabury, "but they have actually denied the right of workmen peaceably to persuade their fellows to join them on strikes." And he cites the case of the York Manufacturing Company *vs.* Obedick (10 Penn. D. Rep. 463), when the court said: "It is seriously contended by counsel for the respondents that they have a legal right to approach other workmen in the employ of the complainant, and to *persuade and induce* them either to quit or not to accept such employment. . . . *There is no such legal right.*"

In like manner "there is no legal right" for many things in the eyes of some of the Federal judges, who, owing their places not to popular suffrage, act as if above all regard for the body of the people. For instance, in 1899 an injunction was issued out of the United States Circuit Court of West Virginia in the interest of the Wheeling Railway Company against "John Smith and others," without naming the others. It was the now familiar blanket type of injunction. Two men, not parties to the action, nor found to be agents of "John Smith and others," were punished for contempt of court. Wherein were they in contempt? asks a committee of

[1] See Strike Commission's Report, pp. xxviii–xxxi.

the Social Reform Club of New York, appointed to report on the ominous progress of injunctions. The committee answers: The men "were punished for contempt of court for, among other things, 'reviling' and 'cursing' employees of the railroad company. If these men had not actually served out an imprisonment in jail for thirty days as a punishment for *contempt of corporation*, it might be thought that your committee had taken this example from opera bouffe. The legality of this punishment was never passed on by the Supreme Court, for the reason, as your committee understand, that the parties were unable to bear the expense of taking it there, and so served their term in jail."

More recently, during a great coal strike involving most of the mines of West Virginia, United States Judge Keller in the southern judicial district issued a blanket injunction covering some fifty mines along or near the Chesapeake and Ohio Railway. He prohibited even "assembling near" the mines. He went further and restrained national officers of the mine workers' organization from purchasing and distributing food to the West Virginia strikers. At the same time Judge Jackson in the northern district issued injunctions very similar in import, and between the two judges most of the mines of the State were covered by restraining orders. Some of the national organizers of the mine workers' general organization, disregarding Judge Jackson's orders, were arrested and, by summary process and without a jury trial, were by him sentenced to imprisonment for contempt of court, the judge calling them "vampires that live and fatten on the honest labor of the coal miners of the country."

These are but a few typical injunction cases issued in great numbers from the Federal benches all over the

[1] This committee was composed of John Brooks Leavitt, John D. Kernan, Ernest H. Crosby, Mornay Williams and Robert Van Iderstine. The report was printed and sent to all Federal and higher State judges, and circulated generally.

country. The State benches have not been so useful, for one reason that State judges are elected, and thus are not so ready to brave the ill will of the body of the people by doing the bidding of the monopoly corporations; and for another reason, that State courts are backed at last resort by militia only, whereas the Federal courts can call upon United States regulars, who as a general rule manifest less sympathy and act more like machines than the State soldiery. As a consequence, Federal injunctions are preferred to those from State courts.

It was partly for this reason that in the West Virginia cases just cited injunctions were obtained from Federal rather than from State courts. To do this, however, legal tricks had to be resorted to. As to Judge Keller's blanket injunction covering more than two score mines along or near the Chesapeake and Ohio Railway line, the facts were briefly these: Most of these mines were supposed to be under separate and distinct ownership, and to have no concerted action with each other. When the strike came, the mine owners affected small doubt of overcoming the local mine workers' union, which was weak both in number and funds, if the organizers and great funds of the national organization should not be permitted to help the strikers. Some of these organizers were in West Virginia, and some of them were outside. To enjoin all of them at once, it was necessary to have an order issued from a court having jurisdiction at once inside and outside of that State — from a Federal court. But the mining companies in question belonging to West Virginia, and complaining of transactions within that State, could sue only in the courts of that State. To obtain an order from a Federal court application would have to be made by some one outside the State. The Chesapeake and Ohio Coal Agency was selected to play the part. That company was incorporated in New Jersey, did business in New York, and sold the product of the great number of mines in question. But it was evident

that it had nothing to do with the mine workers, and therefore had no right to complain of them. So a fiction was established as a fact, the Chesapeake Agency Company complaining to the court that its contract for the supply of coal was imperiled. It therefore asked the court to enjoin the fifty mining companies and some two hundred miners and union leaders from interfering with the carrying out of the conditions of the contract.

Of course Judge Keller and everybody else knew that this complaint had no foundation whatever, because of the "strike clause" in this contract, as in all such contracts, by which the mining companies are relieved from fulfillment of contract in the event of a strike. But the judge chose not to notice this. He acted as if he had clear jurisdiction and issued the blanket injunction, as a similar one had already been issued by Judge Jackson in the northern Federal district of the State.

The strike in the north involved the mines of the Clarksburg Fuel Company, and the fear of that corporation was not from what the weak local mine workers' union would do, but what President John Mitchell and his fellow-officers and organizers of the United Mine Workers of America would do. Even if a State court could be induced to issue a drastic enough injunction, which seemed more than doubtful, the arm of such a court would not reach far enough. So to a Federal court the mining corporation made appeal. Here came the trick. The Clarksburg Fuel Company, being incorporated in West Virginia, could not proceed in a United States court against its striking employees who were citizens of its own State. But the Guaranty Trust Company of New York had a mortgage for $2,500,000 against the Clarksburg Fuel Company for money loaned to the latter. The Fuel Company complained to the Guaranty Company that if the strike continued, interest payments on the debt would probably have to be suspended. Whereupon the Guaranty Company petitioned United States District

Judge Jackson for a sweeping injunction against the officers and organizers of the miners' national organization, and obtained it.

Some of the organizers ignored this order, or at least, Judge Jackson chose to consider that they did. He had them arrested for contempt of court and sentenced them to imprisonment. Appeal was taken to the United States Circuit Court, Nathan Goff being the judge. The ground of the appeal was that Judge Jackson had no jurisdiction to issue such an enjoining order. Argument was made that in all cases like this, involving mortgagee and mortgagor, the mortgagee cannot act without making the mortgagor a party; that the Clarksburg Fuel Company was therefore an indispensable party to the suit; that it was so shown to be in the spirit and wording of the original prayer for an injunction, the Guaranty Trust Company asking protection for property and privileges not its own, but belonging to the Clarksburg Fuel Company; that since the Fuel Company was properly a party to the suit, it had no standing in a Federal court as against the prisoners, but must seek protection in a court of the State of West Virginia.

This argument was of no avail. Judge Goff ignored the question of jurisdiction. He recognized only the fact that the prisoners had been in contempt of Judge Jackson's restraining order, and he refused to release them.

I attended the argument of this remarkable case at Clarksburg, and talked afterward with a distinguished member of the State bar about it. He summed up the matter in this way: "It is just as if a farmer of Iowa should send word to an Eastern mortgage company from whom he had obtained a loan, that his farm hands had demanded more pay, and, on being refused an increase, had left him, making it impossible for him to meet the interest on his loan, unless the mortgage company should obtain an order from a United States court putting so many restraints upon the movements and utterances of

the farm hands as to force them back into the farmer's employ. And if this form of the injunction principle can be applied by the farmer against his withdrawing field hands, it may also be used by a mill owner against his striking mill hands, and by a factory owner against his striking operatives."

But while this will indicate why Federal courts are preferred for enjoining orders, it is nevertheless a fact that from some of the State courts have issued extraordinary injunctions. A type of these was an order from Superior Court Judge Elmer of Connecticut, in a strike of street railroad men in Waterbury against a great company called the Connecticut Railway and Lighting Company. In an omnibus order, this judge enjoined practically every trade unionist in Waterbury, as well as every sympathizer, against "*any act or language*" intended to prevent persons from taking the strikers' places; "against boycotting the plaintiff or its employees, either by threats, intimidation, unlawful persuasion *or otherwise;* against giving any information, directions, instructions or orders to any committee, association, confederate or other person or persons for the purpose of effecting any of the acts or things hereby enjoined." Judge Elmer attached a $10,000 penalty to the infraction of his order. At the same time that the railroad corporation obtained this enjoining order the railroad men's union and all the other trade unions of the city which had been contributing money toward a strike benefit fund were made parties to a damage suit by the Connecticut Railway and Lighting Company for $25,000.[1]

[1] A sensation has been occasioned in the British industrial world by the decision of the House of Lords that a trade union could be sued "in its registered name," even though not incorporated. This is a well-established principle in American law. Section 1919 of the New York Code of Civil Procedure allows an unincorporated association to sue or be sued. Other sections provide that where the funds of the association are not sufficient to meet the findings in the suit, then an action for the deficiency will lie against the effects of the individual members. Similar laws exist in the other States.

Many more instances of the development of the injunction principle by the Federal courts, and emulated by the State courts, could be given. And it should be remembered that all this has come about within the last seventeen years. The rule of the injunction in labor disputes has been coincident with the era of trust combination. Privilege, seeking to rob and rule in all provinces, has seized the courts for a weapon against rebellious labor unions. And by the irony of fate, it has made the peculiar bludgeon of its injustice and for strike breaking that very department of the legal institution that was created to succor the weak and lowly when they had no remedy in the regular processes of law. The old equity maxims must in the light of much of the present practice be changed: not "Equality is equity," but "Inequality is equity"; not "He who asks equity must do equity," but "He who asks equity may do inequity"; not "He who comes into a court of equity must come with clean hands," but "He who comes into a court of equity may come with soiled hands" — with hands defiled with avariciousness and injustice.

For, says Judge Seabury, in the article already quoted, these enjoining orders issued out of courts of equity violate fundamental rights. "Assuming, for the sake of argument, that in every instance the workmen were engaged in acts in violation of the criminal law, these injunctions were unnecessary and unjustifiable. If the acts were not criminal, then the theory upon which the injunctions were issued is incorrect, and they were admittedly without justification. If the acts were criminal, the criminal law provides the punishment to be imposed and the procedure to be followed. The fact is that the only reason for issuing injunctions in those cases, where the prohibited acts are in violation of the criminal law, is to dispense with a trial by jury.

"Consider the protection with which the law, as a result of centuries of struggle and experience, safeguards

the liberty of the lowest citizen. If he is charged with a crime, there must be a hearing before a magistrate, a grand jury must be satisfied that a crime has been committed, and that reasonable ground for believing the accused guilty exists. Upon the indictment found by the grand jury he is tried by a petit jury, and even their verdict, if improperly arrived at or contrary to the law, may be set aside upon appeal. This protection safeguards the rights of one accused even of murder.

"How different is the new method, introduced by these injunctions. A judge sitting in his chambers, upon the *ex parte* application of a private person or corporation, makes an order commanding not only the defendant in the suit, but all the world, to do or refrain from doing certain things which are specified in the order. Those violating the order are summarily arrested and brought before the judge whose ukases they are accused of violating. He inflicts punishment upon them. He is judge, jury and executioner, and if he had jurisdiction, his acts cannot be reviewed upon appeal, and the accused is not entitled to counsel. The committing magistrate, the grand jury, the petit jury, the right of appeal and the right to have counsel are all dispensed with.

"Under this system a person can be punished twice for the same offense.[1] He may be fined or imprisoned summarily for contempt in disobeying an injunction issued against him, and for the criminal offense charged he may be fined and found guilty and be subjected again to fine or imprisonment, or both.

"The sweeping character of these injunctions may be realized, when it is recalled that they are issued not merely against the parties to the action, but against all mankind.

[1] Article V of the Amendments to the Constitution of the United States reads ". . . nor shall any person be subject for the same offence to be twice put in jeopardy of life or limb." Article VI of the Amendments reads, "In all criminal prosecutions, the accused shall enjoy the right to a speedy and public trial, by an impartial jury."

In the Debs case, the injunction was issued against all the persons named in the bill, and against all the members of the American Railway Union who were engaged upon twenty-three railroad systems, and, lest some should be forgotten, against 'all other persons whomsoever.'

"In no legal sense is such an order an injunction at all. It is simply a general police proclamation, putting the community in general under peril of punishment for contempt if the proclamation is disobeyed."

If it be said that many of these injunctions were only temporary, and were never made permanent, the reply is that they would probably have been made permanent on application. But in most labor wars a temporary injunction serves all the purposes of those who obtain it, since the temporary paralysis into which obedience to it casts the trade union is as fatal to the strike as disobedience which brings immediate arrest for contempt, and summary arraignment and punishment.

Governor Sadler of Nevada put the case in essence when in 1897, during a coal miners' strike, he said, "The tendency at present is to have committees make the laws and to have the courts enforce them by injunction." Who are those committees? The privileged corporations. And not only are they potent enough to capture and use the courts in this way, but they have been powerful enough to prevent thus far recapture by the people. The Supreme Court of West Virginia declared unconstitutional a law passed by the Legislature in 1898 to restrict the use of injunctions. The courts were held to be coördinate with the Legislature, which therefore had no right to restrain the powers of the judiciary, or to prevent the judiciary from protecting itself by proceedings in contempt. If a State Supreme Court can take this ground, why may not the Supreme Court of the United States do likewise, if any bill really curtailing the "restraining" power now exercised by the Federal judiciary shall ever get past the committee stage in Congress and be enacted into law?

And furthermore, let it be noted that if this is the way the courts are used and abused by Privilege against unions and for its own power and glory, there would be small hope of such unions obtaining redress of their grievances through compulsory arbitration courts or through incorporation, the institution of which is urged by monopoly speakers and organs, with protestations of disinterestedness. Reading the future by what we have witnessed in the past, labor union incorporation and compulsory arbitration courts would prove to be only additional weapons in the crowded arsenal of Privilege.

Most assuredly remedial measures must be but patchwork and ineffectual so long as Privilege exists, to create, to adapt, to pervert to or for its own continuance and benefit. So long as Privilege exists, it will crowd and oppress unorganized labor. So long as it exists it will, where it cannot make terms satisfactory to itself with organized labor, use and abuse the powers of the courts to club laborers into submission.

Indeed, we have recently witnessed how the combined railroad, mining and smelting monopoly powers in the State of Colorado used the injunction power to strike at the ballot itself. This was done on the theory of protecting the political prerogatives of the sovereign people — the kingly prerogatives which the American people derive from the common law of England.[1] On this plea two of the three judges of the Supreme Court enjoined certain persons from committing election frauds in the gubernatorial election there in the fall of 1904 — election frauds that were crimes under the law. After the election the two judges who had issued the injunction ordered all the ballots of certain voting precincts to be thrown out; not because the vote was tainted by fraud, as was commonly believed, nor yet because the statutes authorize such action, for they do not. The exclusion was made solely on the

[1] See signed letter from Denver by Louis F. Post in the *The Public*, Chicago, Dec. 3, 1904 (p. 547, seventh year).

ground that acts were committed in those precincts in violation of the injunction.

Said a brilliant publicist at that time, Mr. Louis F. Post of Chicago: "The integrity of elections in Colorado is by that decision removed from the protection prescribed by the election statutes; and the function of regulating the voting at elections and determining the results is arbitrarily assumed by the Supreme Court, sitting simply as a court of equity. So sitting, it makes no discrimination between honest and fraudulent voting, but throws out whole precincts upon learning that its injunction has been to any extent violated. In this way a Legislature is packed by the Supreme Court; not in regular statutory proceedings, but in extraordinary injunction proceedings. If fear of popular outbreak does not deter them, even the governorship will probably be determined by these usurping judges through this wholesale throwing out of precincts in proceedings for contempt of a 'prerogative' writ of injunction."

Mr. Post's observation was prophetic. Although on the face of the returns Alvah Adams was elected Governor by a large plurality, the Legislature, packed by the Supreme Court, seated J. H. Peabody in the Executive Chair, as a result of a post-election gubernatorial contest, the understanding being that Peabody would at once resign and give place to J. F. McDonald, who had run for the office of Lieutenant-Governor on the ticket with him. This was done, and the present Governor of the State of Colorado may properly be called an injunction-made Executive.

After such things what is not possible for courts sitting in equity?

CHAPTER III

THE BAYONET IN CIVIL AFFAIRS

ALONG with the abnormal development of the injunction principle has come within the last two decades in the United States a startling use of soldiers in civil affairs. Privilege has forced laborers in self-defense to organize into unions and then has abnormally developed the injunction principle for a weapon against those unions. Concurrently with this it has requisitioned the bayonet in many of the conflicts with labor unions, until it has aroused in the unions a deep-seated fear that the military arm of the Government is intended not so much for defense or offense against foreign powers as for use against the body of the citizens.

All in all, the most remarkable instance of military rule in the history of the United States occurred during 1903–1904 in the State of Colorado during a great strike of smelters and gold, silver and coal miners.

The real owners of Colorado are not the body of the citizens, but closely associated and harmonious mining, smelting and railroad corporations. What these corporations own they manage, subscribing to either or both political parties when it pleases them to do so; influencing elections when and in what manner they desire; effecting or blocking or neutralizing such legislation as they choose; swaying the higher courts, and to great extent directing administrative government and the military arm when they deem that necessary. These owners of Colorado

make and unmake the makers of laws as easily and quietly as they make and unmake the laws themselves.

The coal mines are in the south-central part of Colorado. The miners had serious grievances. Constitutional and statutory provisions for their protection against robbery and persecution by the coal-mining companies were dead letters. At the time of the trouble the mines were owned mainly by two corporations — the Victor Fuel Company and the Colorado Fuel and Iron Company (now the Rocky Mountain Coal and Iron Company), the latter controlled by Mr. John D. Rockefeller and Mr. George J. Gould. The people of Colorado had by a very large majority ratified an amendment to the Constitution requiring the Legislature to pass an eight-hour law, but the Legislature, influenced, it was commonly believed, by the monopoly corporations, suddenly adjourned without taking such action. Thus these corporations annulled what the people had by constitutional mandate decreed. The coal miners saw but one recourse — the strike. Thereupon the mine owners immediately appealed to the Governor, J. H. Peabody, for militia; they said to protect life and property. There really was no danger to life or property. There were but a few cases of personal violence, and these probably had been provoked by assault upon the miners by sympathizers with the company; in one or two instances, it is suspected, by detectives in company pay, not an unheard-of proceeding in other coal regions. But it was necessary to show sufficient cause to have the troops, and the troops were necessary to break the strike.

Governor Peabody appeared ready to send soldiers. Only one thing barred him. He did not have the means to pay them. The Legislature had made no financial provision for the contingency of calling out the militia. The monopoly corporations quickly met this difficulty. They offered to furnish the State with all the money necessary to pay such soldiers as the Governor should call out, agreeing to look for repayment of such advances by the passage of a

special appropriation bill at a subsequent meeting of the Legislature. The Governor accepted the proffer and thus, in effect, sold the militia to the service of corporate privilege in Colorado, just as the Grand Duke of Hesse-Cassel sold Hessian troops to George III for service in the British army against the patriots of this Republic during the Revolution. This was too much for even that high military authority the *Army and Navy Journal*, which might have been expected to pass over the circumstances as justified by "military necessity." That periodical said: —

> But that he [the Governor] should virtually borrow money from the mine owners to maintain the troops who he had assigned to guard their property was a serious reflection upon the authorities of the State. That arrangement virtually placed the troops, for the time being, in the relation of hired men to the mine operators, and morally suspended their function of State military guardians to the public peace. It was a rank perversion of the whole theory and purpose of the National Guard, and more likely to incite disorder than prevent it.[1]

Yet under these circumstances the troops were sent to the coal regions, and at their head the commanding general of the State militia, Adjutant-General Sherman M. Bell. The soldier was in the middle thirties and had been educated in the rough school of cattle ranches and mining camps. He had been a Wells, Fargo & Company detective, had served in the Roosevelt company of Rough Riders in the Cuban campaign, and had been a mining superintendent in the Cripple Creek district. By his own statement he had never taken a drink of liquor in his life.

General Bell is one of the kind of men who forget the rights and duties of the citizen when they don soldier clothes. Their first duty, they say, is to obey. General Bell received his orders from Governor Peabody, who had appointed him to his high command, and Bell obeyed like a Russian military official at Warsaw. He arrested men and clapped them into jail without warrant and even

[1] *Army and Navy Journal*, October 17, 1903.

without formal charge. He deported them out of the State for no other offense than that they were members of the miners' union. In these actions Governor Peabody upheld him. As no strike could succeed against a combination of mine owners and soldiers, this one after long, weary months miserably failed; and such mine workers as were permitted to go back to the coal mines were glad to return to employment under conditions even worse than those against which they had struck.

The strike of the smelters and gold and silver miners, all of whom were members of the Western Federation of Miners, was in progress in other parts of Colorado during the coal strike. The chief points were in the Cripple Creek district almost in the center of the State, and in the Telluride district in the extreme western portion. Incensed at the deliberate refusal of the Legislature to pass the eight-hour law in face of the mandate in the constitutional amendment, the miners and smelters struck. Their strike badly crippled the mines and smelting works. The allied mining, smelting and railroad monopolies therefore determined to break up the unions. Mr. C. C. Hamlin, secretary and directing power of the Mine Owners' Association at Cripple Creek, said frankly to me when I went to Colorado to look into this trouble: —

"We have had working together union miners and non-union miners. We are persuaded that they cannot work together harmoniously. Our conclusion is that all the men we employ should be union or all non-union, and we have decided that they shall be non-union. We are driving out every union man and none will ever again be used in the mines of this district."

What is thought to have led up to this determination was the support of the unions to a proposed amendment to the Constitution the year before by Senator James W. Bucklin. This proposal aimed to introduce the single tax principle by giving municipalities option in taxation, the expectation being that they would heavily tax the great mineral and

railroad site values of the State, which now bear only inconsiderable taxes.

This support of the Bucklin movement doubtless helped to urge the allied monopolies to destroy the unions, which now were charged with all manner of violence and crime, but apparently on little or no real evidence. With all their high-handed military government and with every facility in their hands for prosecution, the allied monopolies have proved little against the so-generally accused union men. The blackest charge was that members of the miners' union had dynamited a railroad station at Independence, in the Cripple Creek region, and had thereby killed fifteen non-union men. The Mine Owners' Association and General Bell assured the public that there was an abundance of damning evidence implicating the union. But to this day not a single man has been convicted of connection with that tragedy. The only clew that had appearance of reality pointed toward a disreputable individual formerly employed by the Mine Owners' Association. It is surmised that the purpose may have been to blow up the station before the non-unionists actually arrived there, but sufficiently close to their arrival to give color to a charge against the union of "an all-but-successful diabolical dynamite horror."

Long before the Independence tragedy had occurred, the Mine Owners' Association and the Citizens' Alliance had procured militia for the Cripple Creek and Telluride districts. General Bell was in command. He frankly announced that his main purpose was to "break up" the Western Federation of Miners and its supporting unions and to "run out" the most active of its members. As to whether or not a man had the right to be a member of a labor union, or as to whether or not a citizen had a right to live where he pleased so long as he infringed not the right of another, gave the General small thought. His openly expressed purpose was to wipe out all aggressive unions in the strike center of Colorado.

With an abundance of zeal and courage, General Bell thereupon had large numbers of union men arrested and locked up in military jails. No formal charges were preferred. And then began the policy of deportation which had been tried in the coal regions. Without trials, without other explanation than the curt one of "military necessity," men known to be union men were put upon trains and shipped out of the State. To cap the climax, Charles H. Moyer, President of Western Federation of Miners, was arrested, put into the military prison and kept there for months, on what pretext neither Moyer, his attorneys, his union nor the public could learn.

Of all this Governor Peabody approved. He called it "military rule." General Bell called it "military necessity." The general public called it "martial law."

Ignoring the deportations, Governor Peabody said: "I have only arrested men, and I hold them until I deem it proper to turn them over to the civil authorities for trial." But he showed that he regarded himself as judge and executioner, for he added, "I believe in stamping out this set of dynamiters and intend it shall be done."

The soldiers did not bother with fine distinctions. When accused of violating the Constitution of the State, Judge Advocate McClelland exclaimed, "To hell with the Constitution; we are not following the Constitution." Colonel Verdeckberg, commanding officer in the Cripple Creek district, said, "We are under orders only from God and Governor Peabody." When asked how long martial law was to be enforced at Telluride, General Bell answered: "The soldiers never will be taken out of there until we have rid the country of the cut-throats, murderers, socialists, thieves, loafers, agitators and the like who make up the membership of the Western Federation of Miners. We don't care what the Supreme Court, the newspapers or anybody or anything else does. The soldiers are going to stay there, regardless of court decisions; and if there is

any more monkey business there is going to be some much-needed shooting."

This remarkable speech had reference to an order issued on a *habeas corpus* writ by District Judge Stevens to General Bell to liberate Moyer. The soldier not only announced that he would not obey the court order, but that he would put the judge into the military jail if he came near headquarters, continuing: "If Sheriff Corbett takes me to Ouray it will have to be over the dead bodies of all the soldiers under my command in this county. He has not men enough to do that."

The power of the court being gone, Judge Stevens adjourned it and announced that he would thereafter adjourn from term to term until the court's mandates could be executed without military interference.

Appeal was then made to the Supreme Court of the State for a *habeas corpus* writ for Moyer. That tribunal granted a hearing.

The Supreme Court of Colorado was composed of three judges, William H. Gabbert, John Campbell and Robert W. Steele. Judge Gabbert, who was chief judge, had formerly been a banker and had mining interests in Telluride, where Moyer had been arrested and imprisoned by the soldiers. Judge Campbell had formerly been a corporation lawyer, representing railroad and mining interests in Colorado. Judge Steele had been an attorney also, but with general practice.

Two of these judges — Gabbert and Campbell — practically decided that the Governor had constitutional authority for his extraordinary military arrests of Moyer and others, and his arbitrary deportations. Judge Gabbert wrote the prevailing opinion, the main points of which, condensed, were: —

(1) The Governor has sole power to determine when a state of insurrection exists in any county in the State. The courts have no power to interfere with the exercise of this prerogative.

(2) The Governor has the right to use the military forces of the State to suppress domestic insurrection. He also has the power to order the imprisonment and the killing of insurrectionists if in his opinion that extremity is necessary.

(3) He can detain military prisoners until he decides that the insurrection is quelled.

(4) The courts of the State have no right to interfere with the military authorities and their handling of prisoners. They have no power to attempt to discharge military prisoners.

That is to say: two of the three judges of the highest tribunal of Colorado declared that that court had no jurisdiction in Moyer's case; that Moyer had been arrested and was being held under military law; that similarly the deportations were occurring under military law; that under this military law the Governor had constitutional authority to go to any lengths in his opinion deemed necessary to suppress insurrection; that the courts could not question such gubernatorial power or action.

Judge Steele dissented from this decision, but as Judge Gabbert somewhat significantly admitted from the bench, the former had not had opportunity to prepare his opinion in the brief time remaining after the other two judges had agreed to deliver the decision of the court. In the course of the opinion which he subsequently delivered, Judge Steele said: —

> It follows, of course, that if the present Executive is the sole judge of the condition which can call into action the military power of the Government, and can exercise all means necessary to effectually abate the conditions, and the judicial department cannot inquire into the legality of his acts, the next Governor may by his ukase exercise the same arbitrary power. If the military authority may deport the miners this year, it can deport the farmers next year.
>
> If a strike, which is not a rebellion, must be so regarded because the Governor says it is, then any condition must be regarded as a

rebellion which the Governor declares to be such; and if any condition must be regarded as a rebellion because the Governor says so, then any county in the State may be declared to be in a state of rebellion, whether a rebellion exists or not, and every citizen subjected to arbitrary arrest and detention at the will and pleasure of the head of the executive department.

We may then, with each succeeding change in the executive branch of the Government, have class arrayed against class, and interest against interest, and we shall depend for our liberty, not upon the Constitution, but upon the grace and favor of the Governor and his military subordinates. . . .

The court has not construed the Constitution; it has ignored it. And the result is that it has made greater inroads on the Constitution than it intended, and that not one of the guarantees of personal liberty can be enforced. . . .

If one may be restrained of his liberty without charge being preferred against him, every other guarantee of the Constitution may be denied him.

Reduced to its lowest terms, the highest court of Colorado, through the majority of its judges, abdicated at this most serious crisis. And when appeal was made to a Federal court, and Governor Peabody and Attorney-General Miller were cited to appear with Moyer on a writ of *habeas corpus* before United States Circuit Judge Thayer, sitting at St. Louis, Governor Peabody suddenly revoked martial law in the district where Moyer had been imprisoned and turned him over to the civil authority, the sheriff, who immediately turned him over to the sheriff of Teller County, where martial law still prevailed. Thus Moyer was technically out of the Governor's hands. He was technically in civil hands. But he was still virtually in the hands of the soldiers, as the sheriff of Teller County had been put in that office with the help of the soldiers.

And thus while the Governor avoided collision with a Federal court which did not appear to be under monopoly influence, he had, as Supreme Court Judge Steele implied, been restraining men of their liberty without preferring charges against them. More than this, he had been deporting men on the mere *ipse dixit* that he intended

to get rid of labor unionists, socialists, agitators and the like.[1]

He even closed up the Portland mine in the Cripple Creek district because that mine, continuing to run, employed union as well as non-union men, and the union men were suspected of contributing part of their earnings to the strike fund. It was announced that the Portland mine would be allowed to reopen only with men "holding cards issued by the Mine Owners' Association" — a new kind of a labor union, but one not organized by and for the mass of laborers, but by and for the benefit of the Mine Owners' Association.

In accordance with this proceeding, General Bell issued an order (Special Order No. 19) declaring that "no organization will be allowed, while this county [Teller] is under military control, to furnish aid in any form to the members of any organization or their families in this county, unless the same is done through military channels."

The Governor and General Bell went even further than this. They conspired to strike at the ballot itself. While Teller County was under military rule the Governor and his Adjutant-General permitted a mob of respectable citizens of Cripple Creek, composing the active members of the Mine Owners' Association and the Citizens' Alliance, to force the sheriff, the county coroner, the county treasurer, the county clerk, a prosecuting attorney and a number of minor local officials to resign from their offices, to which they had been regularly elected, and the functions of which they had been performing so far as the presence of the soldiers would permit. The mob of respectables

[1] Things had come to such a pass when I went to Colorado in June, 1904, that General Bell thought it necessary to issue a special military proclamation (Special Order No. 14), to the effect that "as the said Henry George, Jr., is a law-abiding American citizen and has the good of this country at heart at all times, he shall be treated as an honored guest by every officer and enlisted man of the National Guard of Colorado and the forty thousand loyal, law-abiding citizens of Teller County," thereby giving him assurance that "Colorado is in America to-day."

carried firearms and in one or two instances went so far as to display a noosed rope and threaten its use if necessary to compel compliance with their demands. To all the official vacancies men were appointed who were known to be in one way or another identified with the monopoly powers.

One of General Bell's declarations over his signature was: "I am going to banish the agitators, and then I will establish a military quarantine that will keep them banished." This was no idle boast. He meant it, and he acted upon it so long as his soldiers were on duty. Indeed, in an interview with me, he said that he would not, if he had his way, restrict the use of soldiers to the mining regions. He would use them in the metropolis and capital of the State, Denver, and "run out the bad men and ballot-box stuffers."

And what was the net result of the strike-military term in Colorado? That in round numbers a thousand men were locked up in the military prisons without charges being preferred against them; that six hundred and fifty coal and metal miners were arbitrarily deported, some of them put down on the open prairie without food or shelter; that houses were searched and stores looted by so-called citizens' committees acting under the protection of soldiers; that local courts were prevented from exercising their functions; that regularly elected local officials were coerced into resigning and monopoly appointees substituted; that the Governor and militia, passively supported by an abdicating Supreme Court, did or helped to do all this; that the cost for the militia exceeded $800,000, which the great parties at interest — the Colorado monopolies — paid, and for which they purposed some day to be reimbursed by a special legislative appropriation.

How could a strike win in face of such odds, no matter how justifiable the cause? And the metal miners and smelters' strike failed as utterly as had the coal struggle. The strike went down in utter ruin, and with it for the

time being the labor unions in Colorado to which those men belonged.

Now, as has been said, a strike is not according to the natural order of things. It is only a temporary expedient of combined laborers. But if, under cloak of protecting life and property against strikers, a military despotism is for a season to be erected, what is to become of the sacred principles of liberty. And if this can be done in one State, why should it not be done in others? If miners in one part of the United States, because they are labor unionists, can be thrown into prison or deported, why cannot miners in other places be similarly treated? If the owners of Colorado can substitute bayonet for ballot rule, why should not the coal, steel and transportation lords of Pennsylvania take it as a precedent? Why should not the railroad masters of California, Nevada, Oregon and Washington hail it and follow it? Why bother with popular suffrage in New York, Ohio, Connecticut, Illinois or Massachusetts? If a Governor of Colorado can, on the pretext of protecting life and property, set aside civil government and establish in its stead arbitrary military rule by which citizens are cast into prison or deported without charges, and by which regularly elected public officials are deposed to give place to appointees of Privilege, why should this not some day be done by a President over the country at large?

Nor can the fulfillment of these possibilities appear so remote when we realize that what has been done in Colorado has really only been in the free exercise of principles clearly established by a President of the United States, who sent Federal troops to Chicago at the behest of railroad powers there and despite the protests of the Governor of Illinois.

CHAPTER IV

FEDERAL ARMY IN STRIKES

THE two most remarkable instances of the use of United States regulars occurred in Chicago in 1894 and in the Cœur d'Alene Mountains in 1899.

At the close of the Chicago strike President Cleveland appointed a Commission of three to investigate fully into its causes and its course. The three men were: Carroll D. Wright, Commissioner of Labor, John D. Keenon of New York and Nicholas E. Worthington of Illinois.

From the report of that Commission[1] it appears that in 1886 the twenty-four railroads centering or terminating in Chicago formed a voluntary, unincorporated body called the General Managers' Association. The functions of this association were to consider questions of management, to deal with questions of transportation and to fix car service, rates, wages and the like. The President's Commission could find no legal status for such an association, saying: "If we regard its practical workings rather than its professions as expressed in its constitution, the General Managers' Association has no more standing in law than the old Trunk Line Pool. It cannot incorporate, because railroad charters do not authorize roads to form corporations or associations to fix rates for services and wages, nor to force their acceptance, nor to battle with strikers. It is a usurpation of power not granted." The Commission might have added that the association was obviously in conflict with the Sherman Anti-Trust Law.

[1] Senate Ex. Doc. No. 7, Fifty-third Congress, third session.

Until June, 1894, the General Managers' Association dealt incidentally and infrequently with wages. The railroad employees did not awake to the seriousness of this situation until March, 1893, when the switchmen of each road demanded more pay. The General Managers' Association, speaking for each and all of the twenty-four roads, told the men that they were paid enough; if anything, too much. "This was the first time," says the Commissioners' Report, "when men upon each line were brought face to face with the fact that in questions as to wages, rules, etc., each line was supported by twenty-three combined railroads. . . . This association likewise prepared for its use elaborate schedules of the wages upon the entire lines of the twenty-four members. The proposed object of these schedules was to let each road know what other roads paid. . . . It was an incident of the General Managers' Association to 'assist' each road in case of trouble over such matters, one form of assistance being for the association to secure men enough through its agencies to take the places of all strikers."

This powerful and aggressive organization of the railroads compelled the employees of those roads to form a general union, for, says the Commissioners' Report, "it should be noted that until the railroads set the example, a general union of railroad employees was never attempted." Accordingly, in 1893, the entire railroad labor service was organized into the American Railway Union. Mr. Eugene V. Debs, who for two terms had been city clerk of Terra Haute, Indiana, and for several years secretary and treasurer of the Brotherhood of Firemen and editor of the *Locomotive Firemen's Magazine*, became president of the Railway Union. The new organization very rapidly acquired strength. In May, 1894, it won a strike on the great Northern Railroad.

Among the members of the Railway Union were the employees of the Pullman palace car shops just outside the city of Chicago. Believing that the union was in-

vincible and that their hour had come for relief from oppressive grievances, they insisted upon striking. The Strike Commission says that the officers and directors of the Railway Union "did not want a strike at Pullman" and "they advised against it, but the exaggerated idea of the power of the union which induced the workmen at Pullman to join the order, led to their [the Pullman men] striking, against their [the Railway Union's] advice;" and, "having struck, the union could do nothing less, upon the theory at its base, than support them." It was therefore unanimously voted in convention "that the members of the union should stop handling Pullman cars on June 26 (1894), unless the Pullman Company would consent to arbitration." The Pullman Company refused to arbitrate. "On June 26 the boycott and strike began. . . . Throughout the strike, the strife was simply over handling Pullman cars, the men being ready to do their duty otherwise."

Then, continues the Strike Commissioners' Report: "On June 22 an officer of the Pullman Company met the General Managers by invitation, and the General Managers, among other things, resolved: 'That we hereby declare it to be the lawful and right duty of said railway companies to protest against said proposed boycott; to resist the same in the interest of their existing contracts, and for the benefit of the traveling public, and that we will act unitedly to that end.'" And adds the Commission: "From June 22 until the practical end of the strike the General Managers' Association directed and controlled the contest on the part of the railroads, using the combined resources of all the roads to support the contentions and insure the protection of each. . . . Headquarters were established; agencies for hiring men opened; as the men arrived they were cared for and assigned to duty upon the different lines; a bureau was started to furnish information to the press; the lawyers of the different roads were called into conference and combination in

legal and criminal proceedings; the General Managers met daily to hear reports and to direct proceedings; constant communication was kept up with the civil and military authorities as to the movements and assignments of police, marshals and troops. Each road did what it could with its operating forces, but all the leadership, direction and concentration of power, resources and influence on the part of the railroads were centered in the General Managers' Association. That Association stood for each and all of its twenty-four combined members, and all that they could command, in fighting and crushing the strike."

And one of the first steps of the General Managers' Association toward this end of "crushing the strike" and the American Railway Union was to procure the appointment, by President Cleveland, through Attorney-General Olney, as special counsel for the Government, of Mr. Edwin Walker, who was counsel for the Managers' Association. On the plea of upholding the law and protecting life and property, the General Managers' Association, through Walker, asked for and obtained the judicial and military arms of the Federal Government to crush the strike. For it was Walker who petitioned and received from Federal Judges Woods and Grosscup the now famous or infamous blanket injunction referred to in a previous chapter. It was likewise Walker who asked for and obtained an army of Federal marshals. Later it was Walker who asked for and obtained Federal troops, writing Attorney-General Olney that "the aid of the regular army" was necessary to enforce the orders of the court and to protect the railroad companies in moving their trains, freight and passenger, including the mails.

Ex-President Cleveland, in an article in *McClure's Magazine* for July, 1904, gave his view of the Chicago strike then ten years gone. In that article the ex-President intimated that Federal troops were sent to Chicago because "there was plenty of domestic violence" there at the time,

and that "very little mail and no freight was moving." Yet the facts obtained by the investigating Commission appointed by Mr. Cleveland showed that there was very little disorder at Chicago up to July 3, when the Federal troops appeared on the scene. On June 30 the superintendent of the railway mail service reported to the department, "No mails have accumulated at Chicago so far; all regular trains are moving nearly on time with a few slight exceptions." On July 2 the General Managers' Association published reports, stating that freight and passenger trains generally were running without interruption. The Strike Commission quoted the superintendent of police as saying: "So far as I understand, serious violence or depredations had not been committed prior to the 3d of July, when the troops arrived." According to the Chicago fire department's official report, the total damage up to July 6 had been less than $6000. In addition to these facts the then mayor, John P. Hopkins, a political partisan of President Cleveland's, testified before the Strike Commission: "So far as I know, and I believe I am thoroughly conversant with the case, the police did all the work required of them. In fact, I have the assurance of the officials of the different railroads that they received the most efficient protection they had ever received during similar troubles. That condition of things existed until July 5."

Indeed, there was so little trouble in Chicago up to this time that the mayor said there was no need of even issuing a proclamation against rioting; and he did not do so until July 6. And not until that date did he call for State troops. Governor Altgeld immediately sent a brigade.

Yet in face of all this the General Managers' Association obtained first the appointment of United States deputy marshals and then on July 3 United States regulars. Ostensibly these deputy marshals and regulars were obtained to uphold the law and protect life and property. Really they were to uphold the unprecedented and revo-

lutionary injunction the General Managers had obtained from the Federal court — an injunction intended to crush the strike and the strikers' union.

In regard to the marshals, the Strike Commission in its report had this to say: "United States deputy marshals to the number of 3600 were selected by and appointed at request of the General Managers' Association and of its railroads. They were armed and paid by the railroads, and acted in the double capacity of railroad employees and United States officers. While operating the railroads they assumed and exercised unrestricted United States authority when so ordered by their employers, or whenever they regarded it as necessary. They were not under the direct control of any Government official while exercising authority. This is placing officers of the Government under control of a combination of railroads. It is a bad precedent, that might well lead to serious consequences."

And on practically the same ground of bad precedent and possible serious consequences, Governor Altgeld had protested against the invasion of the Federal soldiers. President Cleveland replied that they were sent to Chicago in strict accordance with the Constitution and laws of the United States. In his rejoinder to this and for a second time asking that they be withdrawn, Governor Altgeld said: —

> The statute authorizing Federal troops to be sent into States in certain cases contemplated that the State troops shall be taken first. This provision has been ignored, and it is assumed that the Executive is not bound by it. . . .
>
> You calmly assume that the Executive has the legal right to order Federal troops into any community of the United States, in the first instance, whenever there is the slightest disturbance, and that he can do this without any regard to the question as to whether that community is able to and ready to enforce the law itself. And, inasmuch as the Executive is the sole judge of the question as to whether any disturbance exists or not in any part of the country, this assumption means that the Executive can send Federal troops into any community in the United States at his pleasure, and keep them there as long as he chooses. If this is the law, then the principle of self-govern-

ment either never did exist in this country or else has been destroyed, for no community can be said to possess local self-government, if the Executive can, at his pleasure, send military forces to patrol its streets under pretense of enforcing some law. The kind of local self-government that could exist under these circumstances can be found in any of the monarchies of Europe, and it is not in harmony with the spirit of our institutions.

The Executive has the command not only of the regular forces of all the United States, but of the military forces of all the States, and can order them to any place he sees fit; and as there are always more or less local disturbances over the country, it will be an easy matter under your construction of the law for an ambitious Executive to order out the military forces of all of the States, and establish at once a military Government. The only chance of failure in such a movement could come from rebellion, and with such a vast military power at command this could readily be crushed, for, as a rule, soldiers will obey orders.

The Chicago strike failed for the same reason that the Colorado strike failed — because courts and soldiers were used against the strikers. In Colorado the Mine Owners' Association, representing the allied monopolies, used the State Supreme Court and the State militia. In Chicago the General Managers' Association, representing the twenty-four railroads centering or terminating there, used the Federal courts and the Federal troops. In one case the Governor, in the other case the President, by his sole judgment, determined that a condition of rebellion existed against the established law and order, which thus imperiled life and property. In the one case the Governor, in the other the President, on the plea of restoring law and order, and of protecting life and property, sent soldiers who really upheld monopoly in deeds of barefaced unlawfulness, while it beat down the strikers and for the time being at least destroyed their union. In Colorado, Judge Steele of the Supreme Court protested, denounced the Governor's action as revolutionary, and declared that it reduced State Government to "the Governor and his military subordinates." In Chicago, Governor Altgeld twice urged the withdrawal of the regulars, avowing that under such construction of the law "an ambitious Execu-

tive" could "order out the military forces of the States, and establish at once a military Government.

And what a military Government would be like we may judge not so well by the experience in Chicago as in Colorado, where they had freer sway. A still better idea may be obtained from experience in the Cœur d'Alene mining range of northern Idaho in 1899.

Idaho is rich with coal, gold, lead, copper and silver; mostly with silver. A few very rich men who are identified with the Standard Oil group own many of the richest deposits and operate them after the manner of Tennyson's "God Almighty of the countyside." In the course of things industrial trouble developed during the spring of 1899. At a place called Wardner there was some kind of demonstration on the part of the miners, and the concentrator mill of the Bunker Hill mine was blown up with powder by, it is supposed and charged, some one on the workmen's side, although no proof of this seems ever to have been found. During an investigation into the whole matter by the Military Affairs Committee of the House of Representatives at Washington, in the following year, it developed that on the plea that the militia had been sent to the Philippines and that the State was without armed protection, petition was made for Federal troops; that this was done by telegraph to Secretary of War Alger and others at Washington; that the mine owners were the petitioners; that Brigadier-General Merriam was dispatched with United States regulars, among them colored troops, to the scene of the trouble; that with the approval of the War Department at Washington, General Merriam declared martial law in Shoshone County, Idaho, on or about May 2, 1899; that he did this immediately, and before the Governor of the State had declared martial law; that he reported at the time to the Adjutant-General at Washington that there were "no signs of resistance"; that on May 6 he wired to Washington that "over 700 arrests" had been made at different mining camps; that

on May 6 he issued a proclamation in which he ordered mine owners to "refuse employment to all applicants for underground work who do not present a duly signed permit authorizing the same," such permit to be "deposited in the mine owners' office, subject to periodical inspection"; that on May 11 he reported to Washington that he was "holding 300 persons in a barn and box cars"; that his prisoners all told equaled or exceeded a thousand; and that some of them were locked up for several weeks, some for as long as eight months.

"No other course is likely to secure rioters," said General Merriam in one of his reports. What did he mean by "secure rioters"? Not that elastic something called "preserving order," which is the favorite explanation for arbitrary acts on the part of the military arm. It meant that he converted himself and his troops into detective agencies and judges in an effort to find the man or men who blew up the Bunker Hill mill. To this end he first and last arrested a thousand or more mine workers and others, and this in defiance of law. Not only were they arrested without the issuance of a single warrant, but though Article I., Section 5, of the Constitution of the State of Idaho expressly declares that the writ of *habeas corpus* may be suspended only when there is "invasion" or "rebellion," and then only in such manner as is prescribed by law. The prosecuting district attorney *pro tem* of Shoshone County, under cross-examination before the Military Affairs Committee, testified that the writ of *habeas corpus* had been suspended in that county, adding: "If the courts had issued the writ of *habeas corpus*, I would have advised the military authority, General Merriam, not to obey it." In plain words, this district attorney asserted that the military arm was superior in authority to the judicial arm — that the bayonet surmounted the law!

And who was this prosecuting district attorney of Shoshone County who was so free with the State's Constitu-

tion that he could abrogate it at will and with it sweep away one of the fundamental rights of American citizenship; one of the immemorial rights of the Anglo-Saxon race? He was William H. Forney, shown by the investigation to be the principal attorney for the Bunker Hill and Sullivan Mining Company, also counsel for the Western Lead Trust, and one of the legal advisers of the Standard Oil Company.

Mr. Forney admitted that he was a resident of Boise, Ada County, when appointed to succeed District-Attorney H. M. Samuels of Shoshone County, notwithstanding the fact that the law of Idaho requires such an officer to be a resident of the county where his office is located. Further testimony revealed the fact that Samuels had been forced out on the ground that he was disqualified to act under martial law, and was threatened with impeachment by the powerful interests if he did not withdraw.

And how were the military orders of arrest executed? According to the common evidence, most of the men were cast into a discarded bull or cattle pen, with straw in the stables to sleep on, but without the privacy of even stalls. This bull pen was what General Merriam called "a barn." The food, of which the prisoners bitterly complained, was served, some said, in large pans, from which each prisoner had to dip with his hand. Others testified that it was served in a kind of cattle trough. Here are a few bits of testimony given under oath before the Military Affairs Committee by some of the men who had been prisoners.

E. J. Flannigan, for fourteen years a justice of the peace in Idaho, swore that Captain Edwards burned the straw of the prisoners' bunks, and threatened to trice them up by the thumbs. Prisoners afterward slept on rough boards, and for nine days got no food but bread and water.

Publisher William Stuart testified that Andrew Johnson, another prisoner, became insane after being threatened with hanging for not telling who participated in the

rioting. Stuart alleged that Johnson was shot and killed by a negro sentry while fleeing from imaginary pursuers.

L. J. Simpkins, an electrical engineer, testified that he was conducted by a guard of four soldiers before Albert Burch, Superintendent of the Bunker Hill and Sullivan Mines, who tried to get admission from him concerning the mill's destruction. Simpkins said that when he refused to make such an admission, he was taken by the soldiers to a lumber pile, prodded with bayonets, and threatened with loaded rifles pointed at his head. After that he was put on bread and water for nine days, and subjected to solitary confinement for sixty days.

George Connell, merchant of Wardner and at the time of his arrest head of the Improved Order of Red Men in Idaho, testified that he had been confined for fifty days without warrant, and that General Merriam, Major Martin and Captain Lyon all declared to him that no specific charge was preferred against him. He averred that there were perhaps seven hundred prisoners in the pen when he was there, and that their treatment by the soldiers was cruel in the extreme. He gave the following instance: —

> On one occasion I saw an old man returning to the bull-pen stable in which the miners were imprisoned, and I saw a negro soldier with his bayonet prod the old man in the back to make him walk faster in the lockstep. The prisoner protested, saying: "Don't crowd an old man so hard. I fought four years for your liberty!" The negro replied: "Go on there! Go on there, you old —! I don't believe you ever fought for anybody."

Whether or not such testimony is of importance, the matter for particular consideration here is that, just as in Chicago and in Colorado, soldiers were used at Cœur d'Alene not to perform their proper function, guard life and property and enable the operation of civil law, but to destroy a labor union. Through the promulgation of his permit system, by which none not entirely satisfactory to the mine owners could work in the mines, General Merriam undertook to run the mines for the mine owners.

But his deep-seated animus against labor unions did not come to light until the investigation occurred before the Military Affairs Committee. Then a report from him to the War Department bearing date of June 1 was produced. In that report the General said: "Since the trouble in Idaho originated in hostile organizations known as labor unions, I would suggest a law to be enacted by Congress making such unions or kindred societies a crime." Yet though there was no such law — neither a United States law nor an Idaho law — this General, commanding a detachment of regulars, treated the miners' union and kindred societies at Cœur d'Alene as if they were in fact a crime, and he set himself up as judge, jury and jailer!

Does not this Cœur d'Alene experience demonstrate the possibilities of military Government? Has it no suggestion of what might be expected in any one of our States were a Governor to follow the Colorado precedent and arbitrarily proclaim military rule? Gives it no indication of what might come in the United States at large should some President, following in the footsteps of Mr. Cleveland, sweep aside State authority and send Federal troops to establish by force of arms whatever he may choose to call "law and order"?

The men of the line in the militia in many localities are as yet not estranged from the general mass of the people and the labor unions. They frequently give proof of their sympathy with strikers whose so-called "violence" they are called out to quell. A notable instance of this appeared in the anthracite strike of 1902 in Pennsylvania, when some of the striking miners were also members of the militia companies called out. Not only did they send to the strike fund a liberal portion of their pay as soldiers, but they collected contributions from most of the other soldiers.

It is a fact that elsewhere, however, unions, feeling that the soldiers are used by the monopoly powers against them, are advising their members to get out and keep out

of the militia ranks. And this is particularly the case in the large cities where the regimental armories, with their thick walls, steel doors and barred windows much resemble fortresses of the Middle Ages that held the populace in subjection to the misrule of despots. More and more in the armories in our large cities the "riot drill" is displacing thought of defense against foreign invasion. It is the enemy at home — the enemy in the poorer quarters of our cities, the enemy in organized form in the labor unions — against which the militia mind is centering; not the enemy in a foreign country. Let any who will examine the military books and periodicals in the regimental libraries, and let him carry his examination up as far as even the War Department at Washington. If he is not already prepared for it, he will be amazed at the large attention given to street riots, strikes and cognate matters. The idea implied, where not expressed, is that the workingman when he will work, and work tractably, is sufferable; but when he organizes to resist the operation of things as they are, he must be put down quickly and completely by force of arms.

It is the military form of the aristocratic idea. And what helps its development is the officering of our militia from our young Princelings of Privilege or those looking to privilege for preferment. Even where the rule prevails to elect regimental officers in the militia a growing preference is shown for those candidates who can contribute most toward regimental or company balls, suppers or other entertainments; who show a willingness to meet other extra expenses; or who offer most possibilities of material preferment outside the armory walls. Consequently young Mr. Monopolist X, or Heir Apparent Y, or Heir Presumptive W, with little or no experience, is over night jumped into militia command, which may make him a conspicuous guardian of "law and order," of "life and property," at the next strike or lockout on a railroad system or in a mining region when soldiers are ordered out.

And as for the regulars, discipline makes mere machines of the men of the line, to move at command of officers risen, not out of the ranks in a democratic way, but educated apart, after the manner of the old European nobility, and from that exclusive rearing and the entrance to military command as a life calling, possessed of the aristocratic idea that those who have power are those who were born to rule and must be upheld.

Thus Privilege uses the soldiers of the Republic as it uses the courts — for itself and in violation, in abrogation, of the rights of the body of the people.

BOOK VI

PRIVILEGE THE CORRUPTER OF POLITICS

Judges and Senators have been bought for gold.

—POPE: *Essay on Man.*

CHAPTER I

NATIONAL POLITICS

POLITICS is the peculiar province of Privilege. Wherever the grants of power we call privileges are to be had from Federal, State or municipal Government, or wherever privileges, having been granted, have to be protected against attack, there the hand of those seeking or of those possessing will be found in politics. And since the authority to make grants lies with legislative bodies all over the country, from Congress at Washington down to the councils in remote villages, the effort to get or to preserve such privileges will everywhere be active. Far and wide will there be effort to put into legislative office men favoring such grants, and to keep out men opposed. Whether the purpose be to get or to protect steam railroad grants, or land grants, or bounty grants, or contract grants, or bond grants, or tariff or other grants arising from taxation, individuals or corporations wanting them will put brains and money into congressional elections and will keep "Black Horse Cavalry" alert when Congress is in session. Individuals or corporations having or seeking railroad, telegraph, telephone, water or other public franchise privileges, or subsidies, "graft" expenditures or advantages from taxation will, directly or indirectly, do their utmost for the cause of privilege in State and municipal elections and afterward, through the lobby, in legislative halls.

Privilege is the prize, the spoil, of politics. The salaries of public office-holders are commonly called such; but by comparison with privilege such salaries are as

nothing. Indeed, it is notorious that candidates who are known not to be rich men often spend more in a campaign than the salaries they will obtain if elected. Such men do not do this from any sense of pride of office nor for their health. They do it "for what there is in it" — for the large returns that service in such office to privilege will bring them. Hence privilege is the real spoil of politics.

And it is enormous spoil. It is a huge river of wealth that comes from laying villages, towns, cities, States and the nation at large under contribution.

But this contribution is not after the manner of a conquering army of old that slew and sacked. It is effected in the modern way, peaceably and legally, by acts of legislature that make direct gifts from the public treasury or that grant powers for appropriating wealth from the general mass of the people. Some idea of the magnitude of such powers may be drawn from the fact that in Greater New York alone the ownership of the franchises or mere rights of way used by the public service corporations there is by competent judges computed to be worth at the present time $40,000,000 a year. The gross revenues of the railroads throughout the country are nearly $2,000,000,000 annually. A portion of this, but a minor portion, constitutes cost of operation and interest on and replacement of the capital actually invested in roadbeds, buildings, locomotives, cars and other furnishings. The large remainder of this great revenue represents the garnerings of the privileges granted by Congress and the State Legislatures — chief of which is the franchise or right of way, or power to levy tolls on traffic. Moody, in his "Truth about the Trusts," computes that there are to-day "over 440 large industrial, franchise and transportation trusts" in the United States "with a total floating capital" of more than $20,000,000,000. This "floating capital," meaning the stocks and bonds, represents far more than the combined machinery and equipment of these companies. The chief elements represented are the various kinds of gov-

ernment-made advantage by special or general acts of legislation conferred upon these trusts. These government-made advantages we are here calling privilege.

Privilege, then, is of great range and enormous magnitude. It is nothing less than a widespread power to rob the mass of the real wealth producers — the general body of the people. It is to be had by the control of politics. To get control of politics in order to obtain grants of privilege, the unscrupulous will strive long and patiently, and will use any means. They will help build up political machines and create bosses, subsidize parties and buy control of nominating conventions. They will debauch the suffrage and purchase public officials. So mighty is the prize of privilege that our princes will have it at almost any cost. They will corrupt our elections at every turn to get permission to rob the people.

And once such privilege is granted, effort is made to perpetuate and extend it. Another offspring of government is used to accomplish this. We give it the name of "corporation." A corporation is an artificial person created by government. It consists of one or more persons united in one body to act in certain ways, and having, within specified limits, all the powers of natural persons. The life in this artificial body is continuous, even though the natural members composing it may change. Hence, while natural persons die, this artificial person created by government lives on.

Now, at the birth of the Republic and for the first four decades of the nineteenth century the comparatively few corporations created were brought into existence by special acts of legislature. Then came the enactment of general incorporation laws, by compliance with the stipulated conditions of which any one could call a corporation or artificial person into existence. And not only were these conditions of incorporation by subsequent legislation made less and less exacting, thus rendering it easier and easier to create artificial persons, but concurrent legisla-

tion widened the limits of power, until now, under the New Jersey Corporation Act, that power, as Assistant United States Attorney-General Beck said, while arguing for the Government in the Northern Securities Merger case, has become infinite as well as perpetual, with secrecy of methods and control vested in a few.

There would, perhaps, be little need for the creating of corporations were it not for the granting of privileges. But artificial persons, which have more powers than natural persons and life-everlasting, are far better suited than natural persons to take care of privileges — to fight for their continuance and extension. As a consequence, it has now become almost an invariable rule either to form artificial persons under the general corporation laws to receive from Government the special grants of power; or else such privileges, being granted to natural persons, are at once by them turned over to corporations or artificial persons. And these artificial persons possessing Government grants, are the most active and most potent of all persons in politics.

The very significant aspect of the Presidential contest of 1904 was the charge by opponents against the managers of each of the two great parties of receiving campaign contributions from the large privilege-possessing corporations. More significant still was the common belief that the charge was true, the partisan view being that, while the opposing candidate would of necessity be contaminated by such money, their own candidate was too upright and too strong to be swerved in the least from principle, affected in the least for evil. Yet Presidents are but men, subject to men's strengths and weaknesses. And just as Mr. Buchanan was most complacent in face of the growing aggressiveness of the slave power which seated him and supported him in the Presidency, so monopoly powers might reasonably expect at least protection from a Chief Executive which their money and their efforts materially contributed toward seating in the White House.

In April, 1904, Mr. William Bourke Cochran of New York, on the floor of the House of Representatives, repeated in an insinuating way a newspaper story that the Presidential election of 1896 — the campaign that was won for "honest money" — was bought. Mr. Cochran named $16,000,000 as the sum which was said to be paid. He did not say that this was paid; he quoted what others said. But no step was taken by the House to investigate the matter. This story is not rendered in the least improbable by the size of the alleged purchase price. For what is a $16,000,000 investment to, say, the Standard Oil group, which, on its $100,000,000 of Standard Oil stock, has received in no year since 1896 less than thirty per cent. dividends and has twice received forty-five per cent. or more? If it should mean protection and profit, what would $16,000,000 be to a syndicate such as, under Mr. Morgan's guidance, cleared $100,000,000 within the space of a few months in underwriting and manipulating steel stock? The sum of $16,000,000 would be only one item in the expense account of railroad combinations whose annual gross revenue is $2,000,000,000. Have not the tariff-engendered monopolies first and last put many times $16,000,000 into Presidential, Senatorial and Congressional elections, to the end of shutting out foreign competition and thereby conducting a systematic robbery of the people at large?

There is nothing remarkable from the amount point of view in the charge repeated by Mr. Cochran. Nor did that aspect of the matter create any general surprise. What drew out intense interest and expectancy for a brief moment was the thought that, in the event of the matter being pried into, persons engaged in the election-debauching business might be found out. But this apprehension on the part of some and hope on the part of the many was short-lived. Nor was any progress made when, at the meeting of the new Congress in December, 1904, Mr. Cochran introduced a bill in the House for the crea-

tion of a commission to investigate the sources of campaign funds of the two great parties. The bill was sent to committee and chloroformed. It was regarded as too dangerous to be admitted to debate and a vote in the House. President Roosevelt in his message at that time made a brief reference to the necessity of legislation against the raising of corruption funds, but nothing further was done by him, and the matter was for the time dropped.

And how much was done when Mr. George W. Perkins, chairman of the finance committee of the New York Life Insurance Company, testified that his company gave $48,000 to the Republican National Committee campaign fund in the Presidential fight of 1904, and $50,000 to that fund in each of the Presidential contests immediately preceding? Mr. Perkins not only justified this by saying that he and his associates acted so because they "believed the integrity of our [their] assets was thereby protected," but he suggested that provision should be made in law by which the president of an insurance company, making public report of his doings later, should be authorized to make political donations for his company. "Of course, in a country like ours," said Mr. Perkins, "there might easily arise a situation in which we should contribute a sum of money, say 25, 50, or 75 cents, from each policy holder." He proposed that the president of the company be left to make this contribution at his own discretion, without consulting the policy holders, the other officers or the directors of the company!

The indications are that Mr. Perkins is not alone in these remarkable views. At any rate, it is certain that the other two of the three great life insurance companies — the Mutual and Equitable — contributed generously to the recent Presidential campaigns, just as it came out in the legislative investigation that the three companies shared the large expense of maintaining lobbies at the respective State capitals to "watch legislation." Mr. Warren F. Thrummel, legislative agent of the Mutual,

swore that he personally placed a contribution of $2500 in cash in the hands of Chairman Babcock of the Republican Congressional Committee in the campaign of 1904, on the ground that "there was great danger" that the Democrats would carry the House of Representatives, which would probably result in "tariff agitation" and "other legislation" unsettling to business, and hence inimical "to the interests of policy holders"!

Nor in respect to the use of money in politics is it to be assumed for a moment that one party is a whit better than the other. Privilege has no sentiment. It has no partisan preferences. It will trade with either party that can "deliver the goods" — the "goods" being legislation to its liking. If there is rivalry between the parties in this particular, then Privilege will contribute something to each so as to keep both in favor.

And does not the composition of Congress show the effect of this policy? The Senate is composed in the main of men, some of whom are Princes of Privilege and others the representatives of privilege-owning corporations. These men were sent to the Senate by Legislatures controlled by Privilege.

The House of Representatives is to a great extent made up of men whose nominations and elections were effected by railroad, tariff or other powers anxious, if not to get further grants from Congress, at least to conserve those grants they now enjoy. Analysis shows that approximately three fourths of the members of both branches of Congress are lawyers, and observation must convince any one of free mind, as four years' watching from the press gallery has convinced me, that a large proportion of these lawyers are there only nominally in the interest of their respective districts. They are really there for this railroad corporation, or that steel combination; for such and such timber company or so and so tariff-suckling giant.

Such interests, colossal in size and alluring by the mag-

nitude of their achievements, Justice Brewer of the United States Supreme Court has declared,[1] tempt the lawyer as a lawmaker "not merely by the money they possess and with which they can reward, but more by the influence they can exert in favor of the individual lawmaker in the furtherance of his personal advancement."

> No one can be blind to the fact that these mighty corporations are holding out most tempting inducements to lawmakers to regard in their lawmaking those interests rather than the welfare of the nation.
>
> Senators and Representatives have owed their places to corporate influence, and that influence has been exerted under an expectation, if not an understanding, that as lawmakers the corporate interests shall be subserved. . . .
>
> The danger lies in the fact that they are so powerful and that the pressure of so much power upon the individual lawmaker tempts him to forget the nation and remember the corporation. And the danger is greater because it is insidious.
>
> There may be no written agreement. There may be in fact no agreement at all, and yet when the lawmaker understands that that power exists which may make for his advancement or otherwise, that it will be exerted according to the pliancy with which he yields to its solicitations, it lifts the corporation into a position of constant danger and menace to republican institutions.

Is this not true? Let some one rise on the floor of the Senate or House and propose, for instance, to take away the tariff "encouragement" from some enormously rich and powerful "infant industry"! Behold! members of the chamber, who until then may have been giving only drowsy attention to the proceedings, bristle with hostile energy and send hurry calls for the absent ones. Story-telling is abruptly abandoned in cloak rooms, and skirmish lines are thrown out against the obnoxious proposal. The favorite maneuver is to make it a prisoner in committee.

On the other hand, tariff hearings before the Ways and Means Committee of the House are nothing less than rapa-

[1] Address on "The Ethical Obligations of the Lawyer as a Lawmaker," before the Albany Law School, June 1, 1904.

cious and gluttonous choruses of privileged interests for more, more, more power to rob the country. General Garfield, after long experience on that committee, frankly stated as much.

"The fact is notorious," said ex-Secretary of the Interior Carl Schurz in a letter to the public last year in reference to party corruption, "that one of the great party organizations before every national election 'fries the fat' out of its beneficiaries, with the understanding that the beneficiaries will be protected in the enjoyment of their benefits if the yield of the frying process is satisfactory, and if not, not." And in a public document[1] may be seen a letter dated June 5, 1897, from Mr. A. B. Hepburn of the National City Bank of New York (Rockefeller) to Mr. Lyman J. Gage, then Secretary of the Treasury and now the President of the United States Trust Company (Rockefeller), in which Mr. Hepburn, after asking Secretary Gage to make Government deposits in his bank, said, "Of course the bank is very strong, and if you will take the pains to look at our list of directors, you will see that we also have great political claims in view of what was done in the campaign last year."

"Washington is the spot where all roads of public mendicancy converge," says a high-class New York daily, "and a grander army than the Grand Army (of pension hunters) has been for years descending upon the capital, much in the spirit of the Goths marching upon Rome."

And witness from the tale of two telegrams how well Congress is in hand.

One telegram, signed by John D. Rockefeller, Jr., and dated February 6, 1903, was sent to six United States Senators. It ran: "We are opposed to any anti-trust legislation. Our counsel will see you. It must be stopped."

The "we" presumably meant the Standard Oil group. The anti-trust legislation deprecated was embodied in

[1] House Doc. No. 264, Fifty-ninth Congress, first session.

three bills, one against railroad rebates, a second for publicity, a third for the expedition of anti-trust legislation.

On the same day John D. Archbold, chairman of the Board of Trustees and vice-president of the Standard Oil Company, sent the following telegram to United States Senator Matthew S. Quay of Pennsylvania: —

> Yesterday's letter received. We are unalterably opposed to all proposed so-called trust bills, except the Elkins bill already passed by the Senate, preventing railroad discriminations; everything else is utterly futile, and will result only in vexatious interference with the industrial interests of the country. The Nelson bill, as all others of like character, will be only an engine for vexatious attacks against a few large corporations. It gives the right of Federal interference with business of State corporations, without giving any Federal protection whatever. There is no popular demand for such a measure. If any bill is passed, it should apply to all individual partnerships and corporations engaged in inter-State business, and it should be made mandatory on all as to making reports of their business to the commerce department. Am going to Washington this afternoon. Please send word to the Arlington where I can see you this evening.

These two telegrams found their way into the public press, and an outcry went up against this "most brazen attempt in the history of lobbying." The Littlefield bill was killed, but under the popular pressure created the other two bills were put through both houses and were made laws by President Roosevelt's signature. And with what result? So far little or none.

The Nelson amendment of the Department of Commerce bill required the organization of a Bureau of Corporations. A man of unblemished character, Mr. James A Garfield, a son of the late President, has been placed at the head of that bureau, and has been armed with the fullest powers for investigation and publicity. Yet what has it availed? Common complaint of a beef trust was looked into and report made that no such trust existed, in face of the manifest fact that there is a most potent and onerous "community of interest" existent between the

great meat packers of the country who get special rates on stock cars and who control refrigerator cars. Through this they can hamper competition and arbitrarily keep down the price of cattle, which they buy; and keep up the price of dressed meat, which they sell. And not only this, but, possessing the refrigerator cars, they also control the fruit and other shipments in such cars.

The Elkins bill, which Mr. Archbold wired Senator Quay the Standard Oil group favored, was an amendment of the Inter-State Commerce Act, with pretense of so strengthening it as practically to prevent railroad discriminations. But when the act came to operation, it was found to have had its claws cut. The former law had not been sufficiently clear in defining what it held unlawful. The amendment remedied this in the plainest terms, but it provided no adequate punishment for infraction. The penalty of imprisonment standing in the original law had quietly been cut out on amendment, so that the railroads could break the Elkins law at their pleasure with merely a fine for punishment if the United States Attorney-General could be induced to prosecute them and they should then be found guilty. Thus what Mr. Archbold, speaking for the Standard Oil group, favored, was an amendment of the Inter-State Commerce Act, which, while appearing to strengthen that law against rate discriminations, really removed the fangs of the law.

These matters perhaps illustrate the subtle power of Privilege in Congress. But take other instances of governmental blindness or impotence relative to Privilege. These may be called the Morton pacts.

Mr. Paul Morton, for a time Secretary of the Navy in Mr. Roosevelt's Cabinet, was formerly second vice-president and traffic manager of the Atchison, Topeka and Santa Fé Railway. As such he was drawn into the courts and before the Inter-State Commerce Commission to testify on alleged illegal railroad agreements in restraint of trade and on discriminating rates.

On May 18, 1896, Paul Morton, for the Southern California Railway Company, the western division of the Santa Fé system, and J. C. Stubbs, third vice-president of the Southern Pacific Company, signed a pooling agreement for the two roads for all manner of freight to and from Southern California, which territory the roads divided between them as if it was a conquered province.[1]

Moreover, it developed in what is known as "the Orange Rate Case" that these two railroads, acting in harmony, made rebate contracts with private fruit car lines, the Southern Pacific with the Continental Fruit Express and the Southern California with the Earl Fruit Car line. These contracts gave a practical monopoly of fruit carriage from that section of the country to those two private car companies, which in turn were owned by the Armour Beef Trust combination. The complaint was made that the two railroads divided traffic: sixty per cent. to the Southern Pacific, forty per cent. to the Santa Fé. In the course of his sworn testimony when this case was brought into the United States Circuit Court at Los Angeles, Mr. Morton said, "We [the Santa Fé road] made several endeavors—we tried the costly experiment of being honest in this thing — living up to the law as we understood it and declining to pay rebates; and we lost so much business that we found we had got to do as the Romans did."

That is, that the Santa Fé, in order to get what it deemed to be its share of traffic, entered into secret rebate agreements with the Refrigator Car Trust (Beef Trust) in utter disregard of other shippers, and in conscious violation of the law forbidding such discrimination.

And there were similar rebate rates on the carriage of wheat, salt, coal, iron and other things. On December 29, 1904, testimony proved that the Santa Fé, by contract made in August, 1902, granted a rebate of $1 a ton to the Colorado

[1] What appears to be the full text of this remarkable contract was given in a speech in Congress, on Feb. 1, 1905, by Robert Baker of New York. See p. 2071, Vol. 39, Part 3, *Congressional Record.*

Fuel and Iron Company, the great Gould-Rockefeller combination lately merged into the still greater Rocky Mountain Coal and Iron Company.[1] It has been computed that this provision was worth in money to the Colorado Company $400,000. Of the Colorado Company, Mr. Morton had been vice-president before joining the Santa Fé road. In connection with the Colorado contract the railroad had issued a circular headed, "For Information of Employees Only, and Must not be Given to the Public." Inter-State Commerce Commissioner Prouty declared that he "never saw such barefaced disregard of the law as the Santa Fé and the Colorado Coal and Iron Company" manifested in this coal case.

In Kansas the Inter-State Commerce Commission found that the Santa Fé and other roads had been giving rebates to the Kansas Salt Trust in the shape of a proportional on a side track owned by the trust. This proportional operated in favor of the great salt company and against the independent salt producers.[2]

Inquiring into how the grain business was conducted on the Santa Fé road "through the Kansas City (Missouri) gateway and in the grain territory back of it," the Inter-State Commerce Commission was informed by Mr. Morton that it had become the custom with each railroad to have one or two, sometimes three, commission firms to act as grain agents for it. The business of each agent was to get as much grain shipped by its road as possible. To that end the railroads made terms that afforded material encouragement. Richardson and Co. became grain agents for the Santa Fé, which paid the firm one quarter of a cent on every bushel of grain shipped and a cut rate in addition. That is to say, Richardson and Co. obtained a considerable reduction on the published rate and also a

[1] Interstate Commerce Commission *re* coal and mine supplies rates by the Santa Fé Railway.

[2] Inter-State Commerce Reports, No. 207, *re* transportation of salt from Hutchinson, Kansas.

quarter of a cent commission. Here is what Mr. Morton stated under oath to the Commission: —

Commissioner Prouty. In what way and at what time is the departure from the rate paid back to Richardson and Co.?
Mr. Morton. In cash settlements about quarterly.
Commissioner Prouty. He [Richardson] makes a statement to you?
Mr. Morton. Yes, sir.
Commissioner Prouty. And charges the quarter of a cent a bushel commission, and in addition to that the difference between the published rate —
Mr. Morton. The actual rate and the published rate.
Commissioner Prouty. And upon that statement you pay?
Mr. Morton. We settle with him.[1]

Here, plainly told, was the method by which Mr. Morton broke the law against discriminating rates. And in testifying before the Commission relative to a rebate contract with one of the Beef Trust packers, Mr. Morton said frankly: "Yes, sir; it is an illegal contract. It was illegal when we made it, and we knew that."[2]

And what followed all these admissions of law breaking — of favoring a few great at the expense of the many weak? Nothing of a punative nature followed. Nor did these admitted misdeeds seem in the least to cast any shadow upon Mr. Morton's political fortunes. In inviting him into the Cabinet the President took no note of the foregoing testimony. Nor did the House of Representatives, when Mr. Robert Baker of New York offered two resolutions of inquiry, do more than report the resolutions back from the Judiciary Committee and, at the motion of the chairman of the committee, instructed by its Republican majority, adopt by a majority vote a recommendation that the resolutions "do lie on the table" — the "parliamen-

[1] "Inter-State Commerce Commission Orders and Testimony in the Matters of Rates, Facilities and Practices applied in the Transportation, Handling and Storage of Grain and Grain Products carried from Western Points to Atlantic Seaboard and Other Eastern Destinations," pp. 281–282.
[2] Inter-State Commerce Commission *re* transportation of dressed meats and packing-house products, p. 148.

tary method," said Mr. Baker, "of strangulation." But at length public opinion was roused and Mr. Morton was constrained to retire from the Cabinet. He conveniently had a call to adjust the flagrantly inequitable affairs of the Equitable Assurance Society — at a very large salary.

What brought public opinion to a focus was the resignation of special counsel for the Department of Justice because the President refused to act upon their advice and bring contempt proceedings against Mr. Paul Morton and others who had been officers of the Santa Fé road at the time of its opprobrious contract with the Colorado Fuel Company. These special counsel were Mr. Judson Harmon and Mr. Frederick Newton Judson, the former an ex-Attorney-General of the United States. But in the lawyer's phrase, Mr. Roosevelt "made a precedent." He drew a delicate line between the railroad corporations and their officials, and in a letter of exoneration to Mr. Morton, which he gave to the newspapers, he said that he would not "dream" of proceeding against the officers individually — a distinction to be fully appreciated by the trade union leaders when they and not their unions are arrested and punished by the courts if the latter adjudge them to be contempt. Is it not calculated to raise a doubt in their minds of the equality of the law? Nevertheless the President gravely requested the Attorney-General, Mr. Moody, to proceed against the offending railroad corporation, but not against its officers.

This does not signify that the Government at Washington makes a rule of willfully condoning the breaking of laws and taking steps hurtful to the welfare of the people. But it does signify that where the public mind is not alert, the little finger of Privilege is stronger than the loins of the mass of the people. Monopoly influence, however grossly or subtly, makes public officials in control of the administrative and legislative branches of the Government at Washington blind to actions of monopoly corporations that would awaken them to lively aggres-

siveness if displayed by unprivileged individuals. If we had no other, two instances of this purblindness would be furnished in the Government's persistent attitude toward the express companies and its extravagant payment for mail carriage. It gives $160 a ton to the railroads for carrying mail an average haul of 442 miles, while on occasion the private express companies have their matter carried by the railroads the same length of haul for $8 a ton! The Government pays the railroads 8 cents a pound for doing only about half the service for which the Government receives one cent! And as has often been stated, the transportation lines charge the Government every year for the use of the postal cars (besides the 8 cents a pound) more than it would cost to build the cars! The charge upon the Treasury of the United States for inland railroad transportation is now approximately $40,000,000 yearly!

If this is not a scandal of first magnitude, what is it? Yet Congress, or rather a majority in Congress, under the railroad spell, will allow no reduction of its annual payment for mail transportation. Year after year the monstrous robbery continues, and all the while various departments of the Government are called to detect petty mail thefts when suspicion is aroused, and to meet with condign punishment any small defalcations in the postal administration or overcharge for supplies.[1]

The express companies of this country, being originally offshoots of the railroads and now working in close harmony with them, for years have by hypnotic suggestion induced Congress to refuse to institute as part of the postal system a parcels delivery service such as even most of the third-rate nations of the world have been enjoying for a generation. The refusal of Congress to do this enables the private express companies to levy highway-

[1] J. L. Cowles, in "A General Freight and Passenger Post," offers a very thorough analysis of these conditions between the Government and the railroads.

robbery charges upon an enormous volume of business which the Post-Office Department could profitably and much more efficiently conduct at a fraction of the present rates.

How do the railroads come to have such extraordinary influence over the Government at Washington? Their sources of influence are manifold. They range from the obvious one of the lobby with its blood money, down through "legal retainers" and Wall Street tips, to railroad passes. A new member of the House of Representatives, Robert Baker of New York, created a stir at the opening of the Fifty-eighth Congress, November, 1903, by returning an annual pass sent to him by the attorney of one of the great railroad systems running through Washington. By the railroad officials Baker was set down as a raw fool; by those pass-takers not too supercilious to care what the public said, he was thought worse than a fool for "giving the snap away."

Yet as a matter of fact the railroad pass is the entering wedge of bribery of the legislator, whether the body be Federal, State or municipal. "In investigating legislative corruption," said Governor Folk of Missouri, after his prosecution of the malodorous legislative baking powder bribery cases, "it has been my experience that the first step a legislator takes toward bribery, as a rule, is the acceptance of a railroad pass." And indeed Thomas Jefferson went even farther than this, saying in a letter to Samuel Hawkins at the close of his long political career in 1808: "On coming into public office, I laid it down as a law of my conduct, while I should continue in it, to accept no present of any sensible pecuniary value."[1] Yet so changed has come to be the order of things with us a century later that not only do the majority of members of all our Federal and State legislative bodies accept valuable annual railroad passes, but President Roosevelt,

[1] Jefferson's Writings, Jefferson Association Edition, Vol. XII, p. 203.

until deterred by public opinion, accepted private cars and even private trains in which to travel over the broad expanse of the country. "Things of sensible value," wrote Jefferson, "however innocently offered in the first examples, may grow at length into abuse, for which I wish not to furnish a precedent." These nice distinctions have as a rule now become obsolete.

Yet the law is plain and blunt.[1] The Inter-State Commerce Commission has interpreted it to prohibit the issuance of passes to any one; but then what do the interpretations of that tribunal amount to when the tribunal itself has been reduced and, by railroad influence, has been kept reduced to the business of merely marking time? This is the law, but it is probably as little regarded by most of the Members of Congress as if never put upon the statute books. And, indeed, several of the Presidents have not refused free cars and even free trains. President Roosevelt stopped the practice only toward the end of his first term. The railroad pass has come to be generally regarded among men in legislative offices as a perquisite, a right, of office, and the railroads treat it as part payment for services rendered or favors to come.

[1] Chapter 382, Act of Congress, March 2, 1889, reads, "And when any such common carrier shall have established and published its rates, fares and charges in compliance with the provisions of this section, it shall be unlawful for such common carrier to charge, demand or collect, or receive from person or persons, a greater or less compensation for the transportation of persons or property, or for any services in connection therewith, than is specified in such published schedule of rates, fares and charges as may be at the time in force."

CHAPTER II

STATE AND MUNICIPAL POLITICS

FOUR gentlemen sat at dinner in the Montauk Club, Brooklyn. One was a State Supreme Court Justice, two were State Senators, the fourth was a wholesale merchant.

"I venture to believe," said the Justice, "that the Chairman of the Senate Committee on Insurance at the Capitol at Albany secretly receives from the insurance companies, in addition to his public salary, approximately $25,000 a year."

The Senators dissented. "He receives a large sum, but not as large as that," said one.

"No," said the other Senator, "the Chairman of the Senate Committee on Railroads gets fully that much from the railroads of the State, but the insurance companies don't pay so well."

The first Senator agreed with this and probably the matter stands so. Of all our Aristocracy of Privilege our Railroad Princes are most in evidence as the corrupters of State politics. "These railway kings," says Mr. Bryce, "are among the greatest men, perhaps I may say are the greatest men in America. . . . They have power, more power — that is, more opportunity of making their personal will prevail — than perhaps any one in political life except the President and the Speaker, who after all hold theirs only for four years and two years, while the railroad monarch may keep his for life."[1]

[1] "The American Commonwealth," Vol. II, pp. 530–531, Second Edition.

And then as to the railroad king's part in political affairs, Mr. Bryce continues: "He must know the Governors and watch the Legislatures of the States or Territories through which his line runs; must have adroit agents at the State capitols well supplied with the sinews of war, ready to 'see' leading legislators and to defeat any legislative attacks that may be made by blackmailers or the tools of rival presidents."

Look in any direction and find evidence of the truth of this statement, especially that part of it touching railroad money in politics. "The testimony of several witnesses was taken on the subject" of payment of money to influence legislation, said the committee of the Legislature of New York State in 1873 in its report on the Erie Railroad scandals, "and although the information acquired was not as specific as could be asked, enough was obtained to show that the railroad companies have been in the habit of spending large sums from year to year either to procure or reject the passage of bills. . . . It appears conclusive that a large amount — reported by one witness at $100,000 — was appropriated for legislative purposes by the railroad interests in 1872," and the Erie's proportion of it was $30,000.

Testimony showed that the Erie management had yearly been accustomed to spend large sums of money to control elections and influence legislation. In 1868 more than $1,000,000 was disbursed from the treasury for "extra and legal services." Jay Gould testified that during three years prior to 1872 the Erie paid considerable amounts to A. D. Barber and William M. Tweed. These amounts were charged on the Erie books to "The india-rubber account." "The memory of this witness," said the report, "was very defective as to details, and he could only remember large transactions; but he could distinctly recall that he had been in the habit of sending money into the numerous districts all over the State, either to control nominations or elections for Senators and members of

the Assembly. He considered that, as a rule [think of the cynicism of this from a legislative committee], such investments paid better than to wait until the men got to Albany, and added the significant remark, in reply to a question, that it would be as impossible to specify the numerous instances as it would be to call to mind the number of freight cars sent over the Erie road from day to day."

Mr. Gould said his "india-rubber" dealings were conducted in four States through which the Erie road ran, and it was his custom to influence both nominations and elections. His third sphere of influence was the Legislature itself. "When the Legislature is Republican," said he with a boldness that showed his contempt for both the legislative committee and the general public, "I am a Republican. When it is Democratic, I am a Democrat; but I am always an Erie man." [1]

Which meant, in other words, that Mr. Gould "saw" whichever party acquired the ascendency in the Legislature. Probably it was in that way, too, that the life insurance trinity — the Equitable, New York and Mutual companies — jointly sustained lobbies to "watch legislation" in most, if not all, of the State capitols. President McCall of the New York Life testified before the legislative investigating committee that his company alone paid one Andrew Hamilton nearly $800,000 within a period of five years, mostly for "watching." For no part of this large sum does a receipt seem to have been asked or given. Mr. Hamilton was merely looked to for "results." That this "watching" takes an active as well as a passive form is evident from the shaping of life insurance legislation. Such a policy of "watching" and "shaping" is of long standing. Mr. Henry B. Hyde, founder of the Equitable company, for instance, as early as 1867, secured an amendment to the insurance law of the State of New

[1] "The Story of Erie," by Edward Harold Mott, pp. 453–454.

York striking out the requirement that insurance companies must pay dividends to their policy holders every five years, and provided instead that they may declare dividends "from time to time." This "from time to time" clause has ever since remained the language of the New York law, with the result that dividends of the insurance companies incorporated under it are as elusive as the jam that Alice in Wonderland complained of — "jam yesterday and to-morrow, but never to-day."

President McCall has declared that three fourths of the bills relating to insurance introduced into the Legislatures are "strikes" and "hold-ups." But if that proves anything it is only the openness of such companies to attack — a dependence upon privileges which prevent them from making open resistance. But whether to buy legislation or protection from assault, the effect on bribery has been all one — to stimulate it.

Since the days of the intrepid Gould there has been so much trafficking in legislative votes in behalf of privilege that prices appear at times to have mounted to extraordinary figures. Mr. Thomas W. Lawson publicly charged Senator Patrick Henry McCarren of New York City with being on the legislative pay-roll of the Standard Oil Company, formerly at $10,000 a year and latterly at $20,000. No denial of the charge was ever made by the Senator. In another instance a Senator was covertly charged with receiving $40,000 for his single vote, which was all that was needed to beat a bill to compel the gas monopoly in New York City to reduce its charge for the illuminant twenty per cent. Senator Stevens, father of the bill, when asked if he regarded this as the probable price of the vote, replied: "I very much fear, and I am ashamed to make the confession, that the largest amount paid for a single vote was very much in excess of the sum you mentioned."

Indeed, if only a few of the stories flying about were true, the Albany legislative session of 1904–1905 was a

carnival of putrescence. Those who profess to watch and understand assert that during that brief period the gas monopoly must have spent in round figures $500,000 in fighting legislation adverse to its privileges; that the Pennsylvania Railroad Company must have paid out as much to effect legislation relative to its new underground terminal in New York City; that the other steam railroads must have spent at least half that amount in buying favors for themselves; that the Interborough Company (elevated and subway in New York City) must have spent a quarter of a million for legislative favors and protection; that the Bell telephone spent at least $150,000 to head off public investigation and a forced wholesale reduction of its extortionate tariff rates; that the great insurance companies, because of the astounding state of things revealed by the Equitable Society scandal, were forced to spend half a million to kill investigating bills; and that other miscellaneous privileged interests were compelled to put up perhaps another $500,000 either to promote desired or to kill objectionable legislation. This would make an aggregate of $2,650,000, three quarters of which, it is computed, went to the Republican party organization, that being the majority party in the Legislature; and the other quarter paid out to individual members.[1]

These figures may be, perhaps are, grossly exaggerated; but that public privileges of enormous value were at stake before the Legislature is clear. That those who seek and manage privileges use money to talk for them in legislative halls needs no proof. Indeed, common wonder now-

[1] The barefaced condition of bribery and graft was indicated by the prayer of Rev. C. H. McDonald, a colored preacher who chanced to be called upon to deliver the invocation at the opening of the day's session of the Assembly at the State capitol at Albany, April 28, 1905. In the course of the prayer he said: "Oh, thou merciful God, we thank thee this morning for the realization that thou art the Supreme Legislator of the universe. Bless the members of this distinguished body, and when life's journey is at an end, we ask Thee to bring us to that General Assembly where Jesus Christ will be the Speaker, and business shall be transacted without graft or the dictation of lobbyists."

adays is, not when a legislator is caught in bribery, but rather when circumstances reveal a member who withstands the ordeal of temptation and refuses a bribe.

And what is true of passing bills or refusing to pass bills is true of the election of United States Senators by the Legislatures. During the Senatorial election at the New York State capitol recently, one candidate was openly spoken of as "the most successful lobbyist of his day." According to common newspaper report, he had a fund of $478,000 to support his Senatorial aspirations. Such an argument proved irresistible. He was triumphantly chosen. He was at that time director in more than fifty different railroad corporations, mostly in New York State, besides being director in a number of banks and other fiduciary companies.

Of course party leaders and party machines may get much bribe money to the exclusion of legislative members. In such cases the latter are driven under the party lash to vote in conformity to such purchasing. But generally the buying transactions are conducted with the individual members themselves and, in the New York Legislature at least, is often carried on with a cynical disregard for even the superficial proprieties. Men known to be lobbyists by all who are in the least familiar with affairs consort freely with the members. Indeed, certain members are recognized as the "financial agents" in the Legislature of, say, the Gas Monopoly, the Bell Telephone Company, or the Sugar Trust. And these agents "see" certain members when anything is "doing" touching on their respective interests. A State Senator told me of how in one instance he voted on a bill according to his convictions, and then chanced to leave the chamber. On returning he found on his desk an unaddressed envelope in which was a new crisp $1000 note. A member sitting near suggested that the money was in acknowledgment of the vote. When it was returned to another member, who took no pains to conceal the fact that he had left it, he said:

"Keep it. Every one voting that way got a piece of the green like that. If you will be a fool and won't use it for yourself, then give the money to some charity; but don't bring it back to me." The member who was not to be paid for doing what he had considered to be his duty threw the money down in disgust and walked away.

And in the municipal aldermanic or councilmanic bodies congressional and legislative rottenness is repeated. The corporations dependent there for their privileges buy ordinances or immunities. Poor men are, in consequence, made rich. A New York City Borough President is in point. On an official salary of $5000, he supports a $10,000 steam yacht, a $12,000 automobile, a $15,000 Rockaway villa and a $27,000 California stock farm.

But now and again it happens that the price demanded is too high. This seems to have been so in the case of a franchise for a short connecting railroad for which the Pennsylvania Company asked relative to its new terminal in New York City. As a result the railroad managers went to Albany and procured from an obliging Legislature an amendment of the city charter taking all franchise-granting power from the Board of Aldermen. All power was concentrated in the Board of Estimate and Apportionment, composed of the elective administrative heads of the City Government. That board had from the beginning favored what the railroad corporation desired. Better by far a rotten Board of Aldermen, subject to popular control, at least when the body of the people get roused to a crisis, than charter-amending by an enormously powerful railroad corporation in its own behalf. Yet so outrageous had the franchise dealings of the Aldermen become, and so accustomed were the people to accept domination by privileged corporations, that small outcry was raised against this bold assumption of power.

But all this belongs to the vulgar cash-in-hand kind of bribery. There are other ways of securing venal legisla-

tors, more refined and quite as effective. The *Wall Street Journal* puts in words what is of common knowledge: —

> Is it desired to secure some franchise or other municipal privilege? Put the boss in some speculative deal, the success of which depends upon the attaining of this privilege. Surely there is no reason why a boss may not "invest in stocks," and there is nothing to show the corrupt connection between his "investment" and the corporation desiring something which it can obtain in no other way than by the short cut of corruption. A whole Legislature could be let into "a good thing" in the stock market in the same way. A number of legislators would thus be made richer and certain financial interests benefited, and at the same time the public, however suspicious it might be, would be none the wiser. Even an inquisitive and honest district attorney would find it difficult to trace the connecting link of corruption. This kind of commercialism in politics is the most dangerous of all.

It is indeed certainly one of the most dangerous of all the kinds of commercialism in politics, and perhaps explains the mysterious way in which small salaries have made public office-holders rich. United States Senators and Congressmen, for instance, may be let in on a sugar or steel speculation, members of the State Legislature on gas, Aldermen on traction — as the price of their official service for Privilege. This undoubtedly is true of municipal bribery. It is just as profitable and very much safer than the cash-down methods pursued by the "Forty Thieves," which the New York City Council and Aldermen were popularly called in the middle fifties; or by Boss Tweed and his associates in the latter sixties and early seventies; or by the "Boodle Aldermen" in 1884, each of whom, according to sworn testimony afterward, received $22,000 for his vote for the Broadway street railroad franchise.

And just as the seekers for or holders of legislative privileges practice the corruption of legislative bodies, from those in Congress down, so are they the main contributors to the corruption funds of the party machines, national, State and municipal. Corrupting the servants of the

people, they corrupt the people too. In testifying before a United States Senate committee in 1894, Mr. H. O. Havemeyer, president of the American Sugar Refining Company (Sugar Trust), spoke with entire frankness on this point: —

Senator Allen. Therefore you feel at liberty to contribute to both parties ?

Mr. Havemeyer. It depends. In the State of New York, where the Democratic majority is between 40,000 and 50,000, we throw it their way. In the State of Massachusetts, where the Republican party is not doubtful, they probably have the call.

Senator Allen. In the State of Massachusetts, do you contribute anything ?

Mr. Havemeyer. Very likely.

Senator Allen. What is your best recollection as to contributions made by your company in the State of Massachusetts ?

Mr. Havemeyer. I could not name the amount.

Senator Allen. However, in the State of New York you contribute to the Democratic party, and in the Commonwealth of Massachusetts you contribute to the Republican party ?

Mr. Havemeyer. It is my impression that wherever there is a dominant party, wherever the majority is very large, that is the party that gets the contribution, because that is the party which controls the local matters.

Senator Allen. Then the Sugar Trust is a Democrat in a Democratic State and a Republican in a Republican State ?

Mr. Havemeyer. As far as local matters are concerned, I think that is about it.

Senator Allen. In the State of your nativity, or the nativity of your corporation, New Jersey, where do your contributions go ?

Mr. Havemeyer. I will have to look that up.

Senator Allen. I understand New Jersey is invariably a Democratic State. It would naturally go to the Democratic party ?

Mr. Havemeyer. Under the theory I have suggested, if they were there, it would naturally go to them.[1]

The contributions to either or both of the party organizations by the privilege-owning corporations are in the aggregate very great. The Philadelphia *Record* editorially made the charge that in the fight against the Weaver faction in the Republican party, the Durham-McNichol faction, during the campaign of 1905, spent $220,000

[1] U. S. Senate Report 606, Fifty-third Congress, second session.

simply for bill board and newspaper advertising and hall hire. Nothing was more patent to the world than that the only persons to whom it could be worth while to spend such an amount of money in such a way were either the owners of privileges who looked for protection and extensions from the Durham-McNichol faction in the event of victory, or that faction itself which expected to "bleed" such owners of privileges. Privilege in either event was expected to pay the bill.

In urging the passage through the New York Legislature of corrupt practice bills, Mr. William Church Osborn declared that "the best informed believe that in this State the Democrats used about $700,000 on election day last year [1904] and the Republicans about $1,250,000, a total of about $2,000,000, for 1,250,000 voters." Half a century ago De Tocqueville wrote that he "never heard of any one accused of spending his wealth in buying votes," [1] and up to a short time ago there was little bribery among our farmers and in our smaller villages. The corruption at elections was in our towns and cities. But now the corruption of the farmers and villagers is general. They expect to be paid by the party to which they belong for their time and the time of their teams. If their party does not make this payment, they will refuse to vote, or else will accept payment from the other party and vote for its candidate.

As for vote-buying in the cities and towns: it cannot be done with such certainty since the adaptation of the Australian ballot system, which an awakened public compelled. Despite this, it is generally possible to get the "goods delivered" by employing party "workers." They wear the party badges, help to get out the voters, and make a demonstration of party strength by collecting near the polling places.

Who pays these workers? The party, or rather the

[1] "Democracy in America," Vol. I, p. 287.

party boss and manager. Whence comes the means? Whence, indeed, but, in the main, from the public franchise-owning corporations and others having or hoping for public privileges. Yet there are collateral sources of corruption. "The amount annually paid to the police force of New York City in tribute," announces former District Attorney Eugene A. Philbin, "is $1,000,000. I am aware that in the tenderloin precinct alone it amounts to $20,000 per month. Gambling houses there pay $500 a month to run, and other houses pay $500 to open and $50 each month to run."[1] If we are to credit general gossip, many police officials have grown rich while in office. The newspapers set the wealth of one at $2,000,000, one at $1,500,000, one at $1,250,000, three at $1,000,000, one at $850,000, one at $500,000, one at $300,000 and two at $250,000. All these men are now off the force — retired, dismissed or legislated out. They joined the force poor. Their official salaries ranged from $2500 to $5000 a year. How did they get rich? From gambling and disorderly house blackmail is the common belief. But it is probable that if their fortunes began in this way the largest acquisitions were subsequently made through stock and land speculation.

A weather-beaten New York politician describes the hierarchy of corrupt municipal party managers: (1) those who will take from the great privilege-owning corporations and from no one else; (2) those who will take only from the public contractors; (3) those who will take from none below the larger gamblers and liquors dealers; (4) those who will exact tribute from brothels; (5) those lowest of all who will accept the miserable little offerings of three-card monte men.

Here are the five chief sources of political loot. The first yields many times that of the other four taken to-

[1] Address at Cornell University, May 23, 1905. Mr. Philbin afterward publicly stated that he spoke of conditions preceding the Police Commissionership of William McAdoo, commencing January, 1904.

gether. Indeed, it may truly be said that Privilege is responsible for it all, since Privilege robs the masses of the people into poverty, which causes many to neglect and others to sell their suffrages.

These things are not true of New York State alone. They are true of all the States. As Gould and Havemeyer said, the great privileged corporations conduct debauching operations wherever it suits their interests. Colonel Alexander K. McClure, chairman of the Pennsylvania State Committee in 1860, stated that the Lincoln managers had but $12,000 to spend in the presidential campaign in Pennsylvania that year, whereas the late United States Senator Quay, the servant of railroad, steel and coal interests, is believed to have spent $200,000 simply to have himself reëlected State chairman; and Philadelphia, as all the world knows, has been until quite recently, in the words of Rev. Dr. Parkhurst, "comfortably rotten."

In Delaware Addickism is a synonym for political putrefaction. A detailed charge made by Mr. Thomas W. Lawson of Boston that Mr. Henry H. Rogers, vice-president of the Standard Oil Company, paid in cash a quarter of a million dollars as a bribe for the vacation of a receivership of the Addicks Bay State Gas Company,[1] has been confirmed by several, among them ex-United States Senator Anthony J. Higgins.[2] Mr. Rogers has not taken the trouble even to deny the charge through the press.

New Jersey, once the peculiar province of the Camden and Amboy Railroad, is now the breeding-place of trusts. Her Legislature, under trust guidance, acts as if she had no fellowship with the other States of the Union.

Rule or ruin has long been the policy of the railroads in Illinois politics, while $1,000,000 was put in a safe deposit box, and the key given to Governor Altgeld's nephew,

[1] "Frenzied Finance," *Everybody's Magazine*, January, 1905.

[2] Interview in *Philadelphia North American*, Dec. 21, 1904. The magazine containing the Lawson charge was issued about the middle of December.

with the statement that the money was for the State's Executive if he would not veto a gas trust bill which had been passed by the Legislature. When told of this the Governor said to his nephew: "Guard that key as the most precious thing in your life. To-morrow I shall veto the bill." And the next day he did veto it.

The Baking Powder Trust in Missouri wanted a law to crush the Independents. Former Lieutenant-Governor John A. Lee undertook to procure its passage. He received, by his subsequent confession, $8500, from which he paid seven Senators $1000 a piece. Six of these Senators were members of the Committee on Criminal Jurisprudence. Bribers and bribed were taken in the net and scourged.

Tariff-protected sugar interests have for decades dominated Louisiana.

"The impudent railroad lobby," wrote Governor La Follette, in a recent special message to the Wisconsin Legislature, "has cost the State millions of dollars in the last six years, and has been a nuisance and disgrace in the legislative halls of the State." [1]

In accepting a renomination, Governor Herrick of Ohio declared that "the professional lobby should go," it being "subversive of the basic principles upon which American institutions are founded to permit a few men to control legislation and to put their judgment as to what is best for the people against that of the representatives of the people, elected for the sole purpose of registering their will." [2]

In Montana copper companies and not political parties bid for office, with the result that "corruption, bribery, and grafting" are rampant in Silverbow County.

General Sherman Bell, speaking for Colorado, says that water, electric light, telephone and street railroad corporations of Denver spent $190,000 corruptly in a recent city election and had 14,000 fradulent votes cast

1 Message to Legislature, May 25, 1905.
2 Speech before the Republican State Convention, May 25, 1905.

and counted.[1] Seventy thousand dollars is the amount commonly said to have been paid by the allied mining, smelting and steam railroad powers for fourteen votes in the Legislature in the recent gubernatorial struggle in that State.

A million-dollar timber scandal in Idaho threatens sooner or later to envelop many public officials there in its toils, and Oregon bows under the disgrace of having two of her representatives in Congress — one a member of the Senate, the other of the House — caught in similar frauds. Senator Mitchell had for two years been master of the Republican party of that State.

California and Nevada have long been as completely under the domination of the Pacific railroads as Alabama has been under that of the Louisville and Nashville, Ohio under the group headed by the Lake Shore and Big Four, and Florida under the Plant-Flagler interests.

The Consolidated Railroad regularly "opens the bag" in Connecticut, with a result, as related by Rev. Dr. Newman Smyth (*The Outlook*, March 11, 1905), that "in one hill town the amount of purchasable votes became so large that the town committee of both parties made a mutual bargain that year not to buy any votes." The Aldrich-Perry-Brayton combination of steel railway, electric, gas and other franchise utilities, says the *New York Evening Post*, "finds its traffic in franchises and privileges relatively cheap and simple while it can make its bargains with the rotten boroughs."

No longer could such a keen and impartial observer as Mr. Bryce say, as he said fifteen years ago, that "the Legislatures of Massachusetts, Vermont and several of the northwestern States, such as Michigan, are pure, *i.e.* the members who would take a bribe are exceedingly few, and those who would push through a job for some other

[1] He told me this during an interview for publication, Colorado Springs, June, 1904.

sort of consideration a small fraction of the whole."[1] The Legislature of Michigan is now easily susceptible to the magnetic influences of the iron, copper, lumber and public franchise interests. The Legislature of Vermont quietly bows before the will of the marble and granite quarry interests, whose rule there is as complete, though without turbulence, as is the rule of the coal and metallurgic mine owners in Colorado. As to Massachusetts: Lomasney is to Boston much as Croker was to New York, Shepard to Washington and Buckley (the Chinese called him the "blind White Devil") to San Francisco. Indeed, Lomasney is greater than any of them, for he is in a sense non-partisan. Managers of both parties not only in Boston but in the State treat with him, since he can when he pleases prove his boast — "stand the House of Representatives [of which he is a member] on end." The Senate of the 1905 session was notorious. Of the forty members, twenty-five, who were purchasable, hung together and were known collectively as "the Syndicate." The remaining fifteen were called "Discards." Mr. Thomas W. Lawson has circumstantially charged the Standard Oil gas interests with buying up legislative votes like fish at the market.[1] That black indictment has stood unchallenged.

Thus might we go through the entire line of States. Everywhere Privilege, the offspring or the ward of Government, is active in politics. And it is there for itself, not for the general good; there to master, not to submit. Its influence may not always be dominant, but it strives for dominance, aided with money and corrupting methods. Too often the question at the polls or in legislative halls is not what the people in general will do, but what those possessing privileges will permit to be done. Tammany Boss Croker once amazed the public with his candor by

[1] "The American Commonwealth," Vol. II, p. 156, Second Edition.
[2] "Frenzied Finance," *Everybody's Magazine.*

announcing that he was in politics for his pocket. Yet why the surprise? To such as he politics is only a vocation or business. His largest customer is he who will buy his way to privilege and will expand large sums to keep it. In local politics this causes such a rottenness as to daunt so wise a man as Mr. Bryce and such a public-spirited one as Mr. Goldwin Smith. They distinctly do not follow Macaulay and say that "institutions purely democratic must, sooner or later, destroy liberty or civilization, or both."[1] But they do speak of the government of great cities as being a conspicuous failure in the United States.[2]

Mr. Bryce would have the people more vigilant and follow higher political standards. This is only another form of the urging of the pulpit, "Be virtuous and then you will be wise and strong." The masses of men, except in times of crisis, will be what their circumstances make them. Grants of privilege by Government condemn the masses to circumstances of brutalizing poverty and ignorance. This is the fallowest ground for corrupt politics.

Mr. Smith distrusts "the blind chances of popular elections" and would have Government by Commission, the Commission appointed by the Governor. But would appointed Commissioners be less the servants of Privilege than officials elected directly by the people? Experience says not. The power that corrupts local politics also elects Governors, or at least has a potent influence over most of them. This power would name the Commissioners. Better a corrupt democracy, with freedom to correct its ways, than a well-ordered paternal Government, which may with a strong hand preserve the peace only to fasten permanently upon the people devices for robbing them, all the more effective because indirect and subtle.

[1] Letter of Thomas Babington Macaulay to Henry S. Randall, the biographer of Thomas Jefferson.

[2] Bryce's "American Commonwealth," Second Edition, Vol. I, p. 608; "City Government," by Goldwin Smith, in *The Independent*, March 30, 1905.

Others, like M. Ostrogorski in his work "Democracy and the Organization of Political Parties," go farther and reach pessimistic conclusions as to the entire fabric of democratic Government, seeing deterioration at top and utter degradation at bottom; the whole in the hands of party machine, caucus and lobby, which are growing stronger and stronger, and correspondingly unaccountable. M. Ostrogorski treats this as revealing the innate weakness of a government by the masses, all unconscious of the existence of Privilege standing behind, pulling the wires — Privilege, concentrating in fewer and fewer hands and waxing great with power.

"The conditions of life in this Republic have wonderfully changed during the last century," says Mr. Justice Brewer.[1] "Formerly there were two parties: the individual and the Government. Now there are three: the individual, the corporation and the Government." By the "corporation," the justice obviously means the corporation possessing government-made or sanctioned privilege; for, continues he, in some respects the corporation "stands halfway between the individual and the Government, and at times antagonizes both the interests of the one and the power of the other."

What is this but a conservative way of saying that Privilege robs the people and debauches their politics and their Government?

And how do those exponents as well as molders of public sentiment and opinion — the press, the university and the pulpit — act in respect to all these things? What is the attitude of Privilege toward each of them, and what is their bearing toward Privilege? We shall proceed to consider.

[1] Address before the Albany Law School, June 1, 1904.

BOOK VII

INFLUENCE OVER PUBLIC OPINION

Promote, then, as an object of primary importance, institutions for the general diffusion of knowledge. In proportion as the structure of Government gives force to public opinion, it is essential that public opinion should be enlightened. — WASHINGTON: *Farewell Address.*

Dick Turpin is blamed — suppose — by some plain-minded person, for consuming the means of other people's living. "Nay," says Dick to the plain-minded person, "observe how beneficently and pleasantly I spend whatever I get!"

"Yes, Dick," persists the plain-minded person, "but how did you get it?"

"That question," says Dick, "is insidious and irrelevant."

— RUSKIN: *Fors Clavigera*, Letter LX.

CHAPTER I

BONDAGE OF THE PRESS

IMAGINE two of our Princes of Privilege laying out a campaign for the acquisition of a fresh franchise grant. If they had to deal with a political boss, the course would be simple: merely to name the consideration and receive the grant. In the absence of a boss, the process must be different.

"Who would have charge of the matter?" asks one.

"Mr. M, the superintendent of our system," is the reply.

"How many votes could he count in the Board of Aldermen?"

"With no talk or fuss, two thirds; with friction, a few less."

"Could he be sure that the majority would see how the public would benefit by the grant?"

"He says he could."

"Of course there should be no bribery or scandal, but would he have ample funds for 'attorney fees,' 'clerk hire,' and the like?"

"Ample."

"And suppose the newspapers should cry out?"

"We must take care of that. I own an influence in *The Dart.* I think the management would be unprejudiced enough to print what we should be pleased to have said. Mr. Y's bank has lent considerable money to *The Bow*, as I happen to know. We could take him in with us and have him observe to *The Bow's* management that our enterprise

will mean more money to be spent in wages and more railroad facilities for the general public; that it therefore should be supported; that, at any rate, it should not be antagonized. And then there is *The Quiver:* you know it is mainly owned by the Z estate. The executor is a conservative man. We can give enough time to be civil and friendly with him and let him understand how all the conservative interests ought to support us in this matter; that if any of us abandons the others and gives the least countenance to such a thing as public ownership and operation of railroads, there is no saying where the public might let itself be led by unprincipled, self-seeking agitators. If he would not listen to reason, then we could influence some of his larger advertisers to object to a paper expressing the sentiments of socialists and anarchists and to say that to continue to advertise in it would hurt their trade. This would hit the purse and get the paper. But such a plan would have to be well executed to be altogether successful, and the possibility of a misfire makes it an extremity measure."

"But *The Fly* and *The Sparrow* — what of them? They would bother us."

"Granted, but they always were against us. Are they important enough to hurt? Besides, it would look better not to have the press unanimous. The charge of 'owning' and 'subsidizing' would not appear as apt. With the three largest papers presenting our argument in our way, and ignoring or belittling that opposed to us, we could put the deal through.

"But the job is a big one — bigger than any before."

"Bigger, because we're bigger."

"Such a privilege in the streets capitalized means fifty millions, at least."

"Which makes the weightier motive for capturing politics, the politicians and the press."

This may serve to illustrate the broader conditions. Acquiring through the exercise of their privileges vast wealth,

and striving to conserve and extend those privileges through the corruption of politics and by control of the legal and military arms of the government, our princes try at the same time to shape public thought on such matters through the press, the university and the pulpit. And of the three means of guiding the minds of the multitude, the first and most obvious is the press. A privilege is in violation of equal rights. No sooner does it appear under a popular government than popular attack upon it begins. The natural mouthpiece for this attack is the press. It expresses the consensus of opinion. Privilege at once stealthily moves to get control of that mouthpiece. Getting control, it achieves a double purpose if, without general realization, it offers Esau's hands, but Jacob's voice — that is, if it makes the popular mouthpiece appear to speak for equal rights, but in reality speak for privilege.

At first it might seem the cheaper and easier course to control the press by putting restrictions upon it. This would appear not to be a difficult matter for the power that manipulates our politics. But such a course would stir the American people to a quick resentment. "The liberty of the press is essential to the security of freedom of a state," says the Massachusetts Bill of Rights of 1780. "It ought not, therefore, to be restrained in this Commonwealth." This has been the sentiment of the whole country. From colonial days the press has had a liberty of utterance which to Europeans has appeared to be no less than a wild license, especially as it presents and discusses personal matters. It might be called the public gossip. All manner of questions, public and private, important and trivial, are offered to public view in this forum. If our best judgment does not approve of the excesses committed under this freedom, it prizes the free utterance. The body of the people have accepted the words of Thomas Jefferson, that such things must be set down as "a part of the price we pay for our liberty, which cannot be guarded but by the freedom of the press, nor that be limited without danger of

losing it."[1] Politicians learned a stern lesson from the attempt of President John Adams to use shackles. He procured the passage of the "Sedition Act," empowering him to punish political criticism in the newspapers. It became one of the main causes of the overwhelming defeat of Adams for reëlection in the "civil revolution of 1800." The century since passed has seen no change in the popular attitude.

The great Federation of Labor, with its one and three quarter million trade unionists, signalized this in its twenty-fourth annual convention, held in San Francisco in the fall of 1904. The labor council of New Orleans had boycotted a newspaper, not on the ground that it was non-union, but because it had criticised some of the actions of the council. The National Convention of the Federation condemned the boycott in these positive terms: "The untrammeled freedom of the press is so important to the well-being, not only of organized labor, but to human civilized life, that no conceivable circumstance can arise that can warrant trade unionists in their organized capacity to place a publication upon a boycott list for the expression of opinion."

And so, aside from Adams's "Sedition Act," we might say, as De Tocqueville wrote fifty years ago: "Not a single individual of the millions who inhabit the United States has, as yet, dared to propose any restrictions on the liberty of

[1] To John Jay, he wrote (Paris, Jan. 25, 1786, Jefferson's Writings, Ford Edition, Vol. IV, p. 186): "It is really to be lamented that after a public servant has passed a life in important and faithful services, after having given the most plenary satisfaction in every station, it should be in the power of every individual to disturb his quiet by arraigning him in a gazette, and by obliging him to act as if he needed a defense, an obligation imposed on him by unthinking minds, which never give themselves the trouble of seeking a reflection unless it be presented to them. However, it is a part of the price we pay for our liberty, which cannot be guarded but by the freedom of the press, nor that be limited without danger of losing it. To the loss of time, of labor, of money, then must be added that of quiet, to which those must suffer themselves who are capable of serving the public, and all this is better than European bondage."

the press." Of course there have been repressive acts under military rule, as during the Civil War; and under hostile acts of mob, as with the mob of mine owners and militia in Colorado during the strike struggle in 1903–1904. But these were only isolated cases. We are considering the attitude of the people at large toward the press in general. That attitude has been one of jealous preservation of freedom of expression even to frequent wanton abuse. Privilege, in consequence, has been constrained to guide what it could not muzzle.

For purposes here being considered the press may be divided into two general classes: the monthly and weekly publications belonging to one, the dailies to the other. Putting apart those publications that rarely or never trench upon political or economic subjects, and aside from trade union and propagandist organs, most of the monthlies and weeklies until recently have been in general respects on the monopoly side. Their owners or readers lay there. Their sentiments have been boldly or qualifiedly exclusive. They have appealed to the comparatively small privileged class and to those of easy circumstances who uphold that class through a mistaken idea of the nature of monopoly and confusion of it with what is properly wealth. These periodicals have been high of price and small of circulation.

It must be admitted that periodicals of less exclusive and more general sentiments touching monopolies would not before the present time have flourished. The monopoly issue was not ripe. Except in singular instances, the general public took no particular interest in it. A magazine devoted to it and aiming to be popular would have died. But the rapacious march of monopoly within the past decade has awakened lively popular interest, and latterly a number of low-priced, well-printed, well-illustrated magazines, containing, besides, generally attractive features, have offered exposures of the more flagrant superficial aspects of Privilege, and, in consequence, have sprung into phenomenal vogue.

Yet so long and so many are the arms of Privilege, and so slow are the masses of men to overcome the inertia of habit, especially the habit of thinking, that, save in particular and superficial aspects, Privilege is for the present, at least, safe against general periodical discussion. However searching the examination and cogent the argument of any of these monthlies and weeklies as to this or that phase of Privilege, not one of the flourishing ones will dare arraign the larger and wider aspects for fear of hurting its business credit, which Privilege gives; or of losing advertising, which Privilege closely or remotely controls; or of offending a considerable body of readers, some of whom, belonging to the privileged class, might set it down for a "socialist" or "anarchist" organ, and others of whom, being of the general mass of the population, but advancing by only slow degrees in thought, might dub it a "crank" publication. Its attacks are really not against even a particular phase of monopoly, but rather a particular kind of transgressing individual. It seeks out the distinct person, as if he and only he by his own moral turpitude were the transgressor; as if the monopoly powers he possesses do not exist elsewhere and in other hands would not produce similar results.

In this way Privilege, by the hurt it can do or by the prejudice it inspires, puts limitations upon even those monthlies and weeklies that attack its outposts. As Privilege grows stronger, the attacking power of such publications weakens, unless, indeed, the body of the people themselves become thoroughly roused. Then all individual wills must succumb to the collective will, if that collective will be well directed. But short of these conditions, Privilege, as it gathers strength, gathers sway over this division of the press.

And what is to be said of the monthlies and weeklies is to be said of the dailies, which it has far more need to control, since the daily papers reach the mass of the population more intimately and more often.

The increasing cost of making a newspaper has helped this, since it has put restrictions upon competition. A legend of newspaperdom is that Mr. James Gordon Bennett, the elder, started the *New York Herald* on a dry-goods box. His means were undoubtedly meager. At that time much was not needed. Energy in getting local news and attractiveness of presentation were the chief requisites of newspaper making. But competition for readers in order to attract advertisers has within the past three or four decades added enormously to the cost. While the quantity of local news has been greatly increased and a remarkable era of effective and varied illustration has been opened and developed, there has been a still more remarkable, an almost bewildering, advancement in telegraphic news. This was the least part of our dailies of three generations ago. It now vies with local news in importance, for it offers the daily doings of the globe.

But telegraphic news is, as may be judged, very expensive. The first cause of this is that the telegraphic service in this country is not made a part of our efficient, accessible and same-rate-to-everybody post-office system, as it is in most of the countries of Europe, but is in the hands of private companies and subject to their high and discriminating rates. That is to say, the telegraphic highways in this country are in private hands. The high rates charged make a larger capital necessary to establish a newspaper than would be required if the rates were low. It discourages easy newspaper rivalry. It tends to concentrate the newspaper business in the hands of the comparatively few persons who, knowing its requirements, can afford to pay the telegraph charges. The principle is the same as a high liquor license, which prevents the starting of rival saloons that would come into existence did no such tax exist. It is also like a Federal internal revenue tax on, say, alcohol or matches, which adds so materially to the outlay necessary to engage in that line of enterprise as to shut out such as would be glad to enter the field against

those already there. In this way the newspapers that now exist have to pay a heavier telegraph toll than they would were the telegraph lines a department of the postal service. But they are willing to pay it, and they make no general demand for a postal telegraph, because they are now free of competitors which then would embarrass them.

And if high rates operate to discourage the weak and consequently help the strong, discriminating rates do so still more. Discrimination occurs through secret rebates. If not so open as formerly, yet it is done. And it goes to the benefit of those papers which can bear the requisite influence upon the telegraph companies, just as railroad rate discrimination favors those on the inside who can exert the "pull."

Still another circumstance that works to the advantage of the big and the disadvantage of the small paper is the leased wire between the greater centers. This is a cheap way for the larger papers to handle a considerable part of its special telegraphic news. It is beyond reach of a paper having only a small amount of such special matter.

In this way it is seen that in the telegraphic field the strong papers have great advantages over the weak ones. All these advantages stand against the starting of new papers, and to them must be added still another element, a combination of the stronger papers into telegraphic news-sharing associations.

While the general wire service of an American newspaper is very costly, a joining together of a great many papers throughout the country in an Associated Press reduces the cost to each for news which they may share in common. None but members can get this service, and new members, except in new news centers, are not admitted. The purpose is not only to reduce the cost of such service to the lowest point, but to make a monopoly of it to those included within the combination. In the course of time outside weaklings and bantlings must needs combine to establish a common "wire service" for themselves. They in turn

shut out papers yet to be born. In this way the news associations contribute materially to prevent the birth of daily newspapers.

Nor is it probable that the old "cribbing" channel will much longer be left open for the free-lance newspaper. It is a habit among newspapers to appropriate or "crib" local news from each other. Out of this habit, and impelled by the adverse circumstances which have just been specified, the weaklings and bantlings came to "crib" skeletons of wire news from any available source. That is to say, discouraged from getting news in the legitimate ways, the smaller papers resorted to ways that were illegitimate. These skeletons were "padded" into extended reports. This came to be called "grapevine telegraph" service. Many of the proudest dailies of to-day used "grapevine" at the start. But the Associated Press and the great newspapers individually are now invoking the copyright law against it.

Not that Congress has made the copyright act broad enough to fit the case, for it has not. In some of the British colonies legislative acts have in recent years been passed to conserve news rights; but in this country Congress, for whatever reason, has refrained from taking any such step, nor does it seem likely soon to do so. Still, in cases where the legislative branch of the Government has failed or refused to act, our courts have been found to be accommodating; and the Federal courts are now reading things into the copyright act of which Congress obviously never dreamed. This belongs to the body of "judge-made" law, many instances of which we have seen in the labor injunction cases.[1]

One of the judicial extensions of the copyright act occurred in the case bearing title of American Press Association, Appellant, *vs.* Daily Story Publishing Company.[2]

[1] Book V, Chaps. I and II.

[2] United States Circuit Court of Appeals, Seventh Circuit, No. 864, October term, 1901; May session, 1902.

Another case was that of the National Telegraph News, F. E. Crawford and A. K. Brown, Appellants, *vs.* The Western Union Telegraph Company.[1] Circuit Judges Jenkins and Grosscup and District Judge Bunn sat in the latter case, and affirmed exclusive right of the Western Union Company to news transmitted by its "ticker" instruments in advance of others. That the principles involved, or evolved, had very much wider application than this case, however, was demonstrated by Judge Grosscup, who read the opinion of the unanimous court. The judge said, toward the end of his opinion: —

> Is the enterprise of the great news agencies, or the independent enterprise of the great newspapers, or of the great telegraph and cable lines, to be denied appeal to the courts, against the inroads of the parasite, for no other reason than that the law, fashioned hitherto to fit the relations of authors and the public, cannot be made to fit the relations of the public and this dissimilar class of servants? Are we to fail in our plain duty for mere lack of precedent? We choose, rather, to make precedent — one from which is eliminated, as immaterial, the law grown up around authorship — and we see no better way to start this precedent upon a career than by affirming the order appealed from.

That is to say, these three Federal judges, by "making a precedent" through an enjoining order, make into law what Congress has not seen fit to enact! And here again it will be observed that, like the injunction issued by Judge Grosscup in the Pullman strike, this order was not issued in behalf of the humble citizen. Nor apparently did the court have the parties in the case chiefly in mind. It was thinking more particularly of, to quote its language, "the great news agencies," of "the great newspapers," and of "the great telegraph and cable lines" — always of the great interest, not at all of the small, struggling one.

By virtue of such construction of the copyright act, the Associated Press and the larger newspapers individually, which regularly "crib" from the European papers, will be

[1] United States Circuit Court of Appeals, Seventh District, No. 789, October term, 1901.

able to prevent all "cribbing" from themselves by the weaker papers at home. If such a principle can apply to telegraphic news, it can apply to local news as well. Incidentally it carries with it a power to harry and kill a weak or new paper with litigation over trumped-up charges.

This, of course, is not to say that stealing should not be stopped. But if it is to be stopped in one instance, it should be stopped in all. If the weak papers steal news, it is largely because the opportunities to transmit news are practically stolen from them — being closed or made difficult for them. The abolition of stealing should apply to both cases. But the courts, so ready to construe the law to conserve the interests of the great, have no thought of the others. And this, as we have seen, is but a part of what confronts the lesser paper. The whole telegraphic news practice, which now is such an essential part of our newspapers, from first to last piles up advantages for the strong and refuses them to the weak.

Further advantage accrues to the larger newspapers from the constraint all are under to use high-priced, patented machinery — type-setting, stereotyping and printing. A peculiarly heavy burden for the small journal has arisen from the formation of a monopoly combination of the white paper manufacturers. Controlling the easily available supply of wood pulp, from which the newspaper webs and sheets are made, most of these manufacturers have entered into "a community of interest," by which the output is limited and the price put up. This advance has been considerable even for the newspaper which is a large user and can place a very large order. For the small paper, which can order only a little at a time, the advance has proved exorbitant.[1]

It is true that in the villages and smaller towns it is now

[1] See testimony of Mr. Don C. Seitz, representing the *New York World*, and Mr. John Norris, representing the *New York Times*, before the House Judiciary Committee, Washington, D.C., commencing April 5, 1904.

possible to buy a daily service of "plate matter," made in New York, Boston, Chicago, Washington and other centers. This matter offers variety — from editorials and fashion gossip, to useful household hints and telegraphic brevities. It is made into thin type-plates, and shipped in small wooden boxes. The plates are ready to be fastened on metal blocks in a "form," and within a few minutes after they are received the press can be started.

But the railroad facilities that make the shipping of these plates to points within a radius of one, two, or three hundred miles of a plate-making center offer like facilities to the metropolitan dailies, which accordingly have wonderfully extended their circulations. The "bulldog" Sunday morning edition of some of the New York papers, for instance, goes to press on Saturday afternoon as early as four o'clock. This edition is sold on the news stands on Sunday morning in some of the Southern States. The large papers in Washington, Atlanta, Cincinnati, Louisville, St. Louis and New Orleans also have early train editions which circulate over the Southern States, so that small local papers have poor chance against these great rivals.

And, then, too, since advertising in any considerable volume will go only to the large or influential circulation, and since advertising is the staff of life to the newspaper, the weakling has no chance, and all things join to discourage the starting of daily papers, at least in the main centers, unless such new enterprises be heavily backed.

Thus we see the march of concentration in the newspaper field. Other centralizing processes have been at work, but thus far have not proved successful. From time to time efforts have been made to draw the newspapers of a given locality into close business relations. In Philadelphia, for instance, an agreement was mutually entered into to accept no death notices for an individual paper, but only on the understanding that they appear in all, a rate for the

combined publication being fixed. The plan was short-lived, however. It did not work smoothly and was abandoned.

On the other hand, the coercive principle was tried in Milwaukee. Had it been successful, it might have proved a formidable weapon in the hands of monoply. But it was too plainly in violation of personal and property rights, and the higher courts fell foul of it. The *News*, the *Sentinel* and the *Evening Wisconsin*, all published in Milwaukee, entered into a business agreement to force advertising away from a newspaper rival, the *Journal*, which was a very successful publication and which had raised its advertising rates. The allied papers announced that if any person should agree to pay the increased advertising rate charged by the *Journal*, he should not be permitted to advertise in any of the three other newspapers except at a corresponding increase of rate, but that should he refuse to pay the *Journal* the increased rate, then he should be allowed to advertise in any of the other three papers at the rate previously charged.

One of the statutes of 1898 of the State of Wisconsin imposed imprisonment and fine on "any two or more persons who shall combine . . . for the purpose of willfully or maliciously injuring another in his reputation, trade, business or profession by any means whatever." Under this statute the publishers of the leagued papers were convicted and sentenced. The Supreme Court of Wisconsin upheld the action of the lower court. Their case was then appealed to the United States Supreme Court on the ground that the proceedings violated the rights of the plaintiffs under the Fourteenth Amendment of the Constitution of the United States. Presumably the passage was in section one of that amendment, reading: "No State shall make or enforce any law which shall abridge the privileges or immunities of citizens of the United States." But the appeal was of no avail. With but one dissenting voice, the Federal Supreme Court affirmed the

decision of the State Supreme Court. Justice Holmes read the opinion of the Federal Court and said: —

> There is no anomaly in a statute which punishes a combination such as is charged here. It has been held that even the free use of land by a single owner for purely malevolent purposes may be restricted constitutionally, although the only immediate injury is to a neighboring land owner. Whether this decision was right or not, when it comes to the freedom of the individual, malicious mischief is a familiar and proper subject for legislative repression. Still more are combinations for the purpose of inflicting it.
>
> It would be impossible to hold that the liberty to combine to inflict such mischief, even upon such intangibles as business or reputation, was among the rights which the Fourteenth Amendment was intended to preserve.

But if these centralizing moves have failed, other attempts will come under the régime of Privilege — attempts that will be successful. For do not all these things make for the triumph of Privilege? The general interest is best served by a fair field and no favor for newspapers, where the cost of production is at the minimum and there is open invitation to competition. Privilege, on the contrary, asks a restricted field, the least competition; so that, obtaining the ownership or influence over existing newspapers, it will dominate. Our newspaper field *is* now to a great extent restricted; competition, relatively speaking, *is* limited; Privilege *does* own or influence most of the newspapers, if in differing lines, and to that degree it *now* rules.

Yet the public is not altogether deceived. It sees the livery. It reads this or that paper and makes allowance for bias. This is a habit of the people. It began with the free utterances of the press. Every citizen exercised the same freedom to judge as the editor did to write. And thus it was that De Tocqueville wrote half a century ago that "the personal opinions of the editors have no weight in the eyes of the public: what they seek in a newspaper is knowledge of facts, and it is only by altering or distorting those facts, that a journalist can contribute to the support of his own views."

Who will say that, speaking for the press at large, this is not so in this country to-day? How common is the remark: "I read the *Star Spangled Banner* for its bright and reliable news reports. I care nothing for its editorials, because I know the editor has political or other axes to grind"! This is one way in which the public shows independence, and that independence now and again becomes marked when the polls are carried for some measure despite the combined opposition of the press. But on the whole, Privilege, as it grows stronger, strives to strengthen its hold on the channel of news, whether of the newspaper or of the higher periodical press.

This is not to say that the entire press is actually in bondage to-day. Some of the greatest newspapers and periodicals are free in all respects. But the large majority of the dailies, weeklies and monthlies turn pleader and champion for Privilege in this, that or the other respect, each in its own way, some all the time, others only on rare occasions. And if Privilege shall wax in power, it must certainly increase its influence over the press, for that is the means of informing the public mind. Unless the informing be in favor of Privilege, it must be against Privilege. In the nature of things, the press in the United States must as a whole be for or against Privilege. Privilege is busy every hour binding it to itself. "From the control of the markets to the control of the minds of the people — this is the line of march," says Mr. Henry D. Lloyd. But the case is yet broader. It is: From the possession of or the desire for privileges to the control of the minds of the people.

Nor can any appreciable change in these relations reasonably be expected to follow the college rearing of the working newspaper man. That would give him a more varied stock of knowledge and a more finished technical skill. But would it enable him to see the workings of monopoly any better than he can see them now, or release him from any of the restraints in his

newspaper attitude toward monopoly that check him now?

The distinguished journalist and public spirited citizen, Mr. Joseph Pulitzer, the owner and editor of the *New York World*, who has given a million dollars for the founding of a college of journalism in Columbia University, would develop an *esprit de corps* in the profession akin to that with which the military academy endeavors to imbue its graduates. Says he:—

> If such a class spirit existed, no editor who had degraded himself by becoming the hireling of any Wall Street king or ring would dare to face his colleagues. He would be too conscious of having been false to his better nature, and equally false to the traditions of his college and of his profession. . . . The knowledge that a reputable journalist would refuse to edit any paper that represented private interest against the public good, would be enough of itself to discourage such an enterprise. Such a refusal would be as severe a blow to public confidence in the newspaper as the rejection of a brief by a high-minded lawyer is to the standing of a case in court.[1]

Would that this could be so, but Mr. Pulitzer must realize that no amount of such "class spirit" will change the conduct of working newspaper men as a body, if the papers on which they must work are not impelled by similar principles. It is not necessary to suppose all editors to be like the one of which Mr. Walter S. Logan, ex-President of the New York Bar Association, wrote in congratulating Congressman Robert Baker of New York for introducing an anti-railroad pass bill into Congress. "I rode the other day with the editor of a leading daily," said Mr. Logan. "He pulled out a bunch of 'annuals' that would take him half over the country. He always had them in his pocket when he was writing editorials on the relation between the people and these railroads giving him the passes." Railroad passes are undoubtedly persuasive with a great many small papers, just as they are with a great many legislators and other

[1] *North American Review*, May, 1904.

public officials. Such editors are usually the owners of the papers they edit. Passes constitute part of their valued perquisites, which they are unwilling to lose. They therefore keep the peace with the railroads of the neighborhood. But in the large cities railroad passes do not often buy editors. That would be trivial compared to the value of a metropolitan newspaper's advocacy. But a better reason is that the railroads own or, through others, exercise a direct or indirect influence over the papers; and that ownership or influence the editor must heed or get out.

"The policy of this paper is devoid of principle," protested an aroused editorial writer to his employer. "I know this speech means insubordination, and so with the declaration goes my resignation." The resignation was not accepted because the proprietor really wished his newspaper to adopt a principle, and because he valued the honest, outspoken words. But of how many newspaper proprietors of the first magnitude may this be said? Just as the vacant chair and the walking stick of the dead and gone Peter Stuyvesant were potent in the council of the New Amsterdam Fathers, so in the editorial councils of most of the great dailies the spirit of privilege is present. There are steam railroad, pipe line, street railroad, telegraph, telephone and gas privileges; there are electric lighting, heating and power privileges; there are mineral, oil, timber, agricultural, grazing, urban and suburban land privileges; there are incorporating, patent and tariff privileges, and a brood of lesser privileges growing out of these and belonging to legislative enactment, judicial favoritism and political graft. These vast, immensely powerful, ramifying and, for offensive and defensive purposes, coördinating powers of privilege, want the voice of the press to influence the people. And when they cannot purchase it, they try any of a thousand other expedients at their command.

Picture a session of the editorial council of a great

morning daily. The departmental heads are gathered about a large table, and each in turn reports the important news features in sight for the next day's issue. In this way all the news and comment departments act with full knowledge and in harmony. The city or local editor generally has the heaviest budget, and in this instance he has at the head of his long-written list what he calls "a first-class sensation and scoop."

"Well?" says the chief editor, expectantly.

"Smithson, our City Hall man," observes the city editor, "has got under the lid of the gridiron railroad grant — names, dates, places, amounts, affidavits — everything. Good for two pages, straight running. Not another paper has a peep at it. Will give the town the biggest shake-up it has had in a year!"

"Any important people involved?" asks the chief, with easy self-command.

"Traced almost up to the door of old Crœsus himself, and inferentially to a lot of highly respectable — "

"Hump!" breaks in the chief; "it reminds me of an epoch in New Orleans history. The city had descended to the depths, perhaps owing to the post-bellum 'black-and-tan' politics. Some of the best and most substantial men of the town got together and resolved to make a change. They needed a newspaper to help them in the task. They bought the *Picayune*. The difficult thing was to find a suitable editor — some man whose name would stand for honesty, ability and fearlessness. Colonel Daniel Dennett of the parish of St. Mary's seemed ideal. His character was unimpeachable. He had a brilliant, fearless, pungent pen. He was known and honored far and wide in the planter region as the publisher of the *Planter's Banner*. A committee waited upon the colonel and formally invited him to come to New Orleans and accept the editorship of the *Picayune*. 'Strike with a free hand,' said the committee. 'Clean up the town.' Colonel Dennett accepted, took a little time to fit himself

in his place and size up things, and then, with an avalanche of eloquence and a blaze of indignation, fell upon the great Louisiana Lottery as the first evil for extermination.

"The Lottery was at that time in the heyday of its power. Colonel Dennett's intrepid onslaught spell-bound the town. The *Picayune's* board of directors met hastily, and Colonel Dennett was requested to attend. 'How is it, Colonel,' asked the chairman, 'that you way-lay in this astonishing fashion one of the great institutions of the State?' The doughty colonel replied: 'You said: "Strike with a free hand. Clean up the town." I struck the Lottery, which appeared to me to be good for a start.'—'But,' rejoined the chairman, 'I neglected to tell you that President Charles Howard of the Lottery Company contributed $100,000 toward our purchase of this paper. It hardly befits us to use the paper in which he owns a large interest to torpedo the company of which he is president.'—'Then your injunction to me,' observed Colonel Dennett, 'is not to be to strike with a free hand; clean up the town?'—'Oh, yes,' answered the chairman of the board; 'strike anything, barring the Lottery.'—'Ah!' said the colonel, 'you mean, clean the town, but leave the corruption. I decline the task. Gentlemen, I resign.' And he went back to the parish of St. Mary's and the *Planter's Banner*."

A pause falls upon the council when the chief finishes his anecdote. The city editor is the first to speak. "I suppose that means that the gridiron sensation is not to be; that it's dangerous; that it may reach somebody at court. Well, it breaks my heart; but I'll kill it. A wink is as good as a nod to a blind ass."

"This council," adds the editorial writer, "being said ass." Nobody disputes the assertion, and the council resumes its routine.

CHAPTER II

THE HAND ON THE UNIVERSITY

EXAMINE the personnel of the Board of Regents or of the Board of Trustees of most of our universities, and what do we find? That men of large, personal fortunes or representing large wealth are prominent there. This in itself is not in any respect to be regretted. Proper is it not only that men of scholarship and executive ability should compose bodies so important to the progress of civilization, but that men of material substance should also be included, to insure broadness of lines and stability. In every age such are sought as patrons. In every age such men deem it an honor to help hold the torch of learning. In this country they give freely out of their means to that end, and they attract donations from others. "In England," Mr. Bryce recently observed, "nothing is so hard as to get money from private persons for any educational purpose. Mr. Carnegie's splendid gifts to the universities of Scotland stand almost alone. In America nothing is so easy." [1]

But who are the men of means we nowadays find among our university regents and trustees, and who from without contribute so handsomely toward endowment funds? They are not mere men of independent bank accounts. They are Princes of Privilege. Generally, they are steam railroad, or municipal franchise, or tariff, or land-owning magnates; or bankers who back, or lawyers who advise, the large privilege-owning corpora-

[1] "America Revisited," *The Outlook*, March 25, 1905.

tions. They are of the Blood Royal of the House of Privilege.

In the university, says the poet Lowell, "truth is sought, knowledge is increased and stored; literature, science and art are fostered; honor, duty and piety are taught." And says our contemporary, Dean Van Amringe of Columbia, "The voice of reason is the voice of the university."

Why, then, should not all men be glad of enrollment in this service? An added motive for Princes of Privilege is that the universities are to large extent what Bacon called "the eyes of the nation." The people as a whole view the world through the eyes of the university. Controlling the universities then, Privilege will direct the gaze of the nation. It will have them see itself, Privilege, not as Privilege — not as special favor or advantage — but as right. Hence it is that Privilege adapts for itself the Hebrew words of wisdom: "Take fast hold of instruction; let her not go; keep her, for she is thy life."

Once strongly established, Privilege turns preceptor. It quietly extends its influence over the upper schools. It benignantly fosters the adding of knowledge to knowledge. It encourages the investigation of all things: in the heavens above, in the earth beneath and in the waters under the earth. It seeks the nature, relation and sequence of all things. It issues the proclamation of universal law.

That is to say, it does all this except in respect to one thing: itself. It endeavors to hide from general view its own nature. It wants to be represented as other than that which it really is. It aims to be classified as wealth, when in fact it is not wealth, but only a power for appropriating wealth. Wealth is stored labor; labor impressed upon matter in such a way as to fit it for the satisfaction of human desire. Wealth is natural, legitimate and to be protected. The power of appropriating wealth is not natural. It is not legitimate. It should be destroyed.

There is a science, as exact as a physical science, that

treats of the nature of wealth, and of the laws governing its production and distribution. This is the science of political economy. It should be a foundation science in a university, since it explains the conditions under which the civilized man gets his living. It might properly be called the corner-stone science of civilization. It goes to the base of society. It underlies all other sciences, as well as literature and art. Indeed, it is the very well-spring of "honor, duty and piety," since it deals with the question of how men obtain physical subsistence; and unless human physical wants are satisfied, morals cannot survive.

On the other hand, Privilege is not the subject-matter of any science, any more than is robbery. It is nothing more than a subtle means of confiscation; an ingenious and stealthy scheme of robbery. It means violence, disorder. It is directly contradictory to the peaceful and orderly precepts of science.

Obviously the science of political economy can have nothing to do with appropriation, with confiscation, with robbery. It has to do with the nature of wealth, with the laws relating to its production, and with the laws relating to its distribution among those who produce it.

Of course a university must teach political economy, else it is no school of universal knowledge. Indeed, without it, its instruction is all superstructure and no foundation. But with Princes of Privilege among its regents or trustees and its heaviest contributors, how can the real science of political economy which condemns privilege as robbery be taught? If it were so taught, the nobles of government favor would not for a moment lend their countenances and open their purses to the institution. They would not only leave it, and stop their own contributions, but through the control of politics, they would find some pretext to prevent contributions being made from the public treasury as well. They would do all in their power to destroy such an institution.

But the Princes of Privilege have no mind to abandon the university to others. They keep before them the Hebrew injunction, "Take fast hold of instruction; let her not go; keep her, for she is thy life." This admonition was intended for the mass of men, but Privilege sees in it a peculiar application to itself. If it would not have a kind of political economy taught in the schools fatal to its life, it must direct that instruction itself.

This is a fact plain of view to any who will look. "Teaching is more than a theory; it is an act," says President Hadley of Yale.[1] "It is not a subjective or individual affair, but a course of conduct which creates important social relations and social obligations." It follows that teaching — especially the teaching of political economy — must have regard to "social expediency."

What have science and morality to do with expediency? Nothing. They do not know the word. They do not compromise: advancing a little here, withdrawing a little there. Science and morality are not to be trimmed, or whittled, or paltered with. They are downright, absolute, final. They take no ifs, or buts, or perhapses. They deal with vast unchanging truths that were, that are, that ever will be. Expressions of the Supreme Will that made and governs the cosmos, they belong to a benevolent plan which, followed, would lead man out of his mere animal shell to an infinite progression. But expediency is his cry. It is the sign of his faltering weakness; the hobbling excuse for his non-compliance with the obvious natural mandates.

President Hadley admits as much. "Teaching costs money," says he. "Modern university teaching costs more money per capita than it ever did before, because the public wishes a university to maintain places of scientific research, and scientific research is extremely expensive. A university is more likely to obtain this money if

[1] "Academic Freedom in Theory and Practice," *Atlantic Monthly*, February, 1903.

it gives the property owners reason to believe that vested rights will not be interfered with. If we recognize vested rights in order to secure the means of progress in physical science, is there not danger that we shall stifle the spirit of independence, which is equally important as a means of progress in moral science?" [1]

Vested rights? What does President Hadley mean? If vested rights *accord* with natural justice, what business is it of a university to "interfere" with them? If they *violate* natural justice, then it certainly is the business of the teacher of universal truth to condemn them.

If the language of the head of the great New Haven institution of learning lacks absolute clearness, we must remember that he is dealing with a matter requiring extreme delicacy of language. He is raising the question whether a university should be passively for privilege, or actively against it; whether it should refuse to build up its institution and carry on its work with money received from sources that it ought, in justice, to denounce, or accept the money, say nothing about its source, and so warp the moral teachings? For when he speaks of "property owners," he obviously means the owners, not of that which is properly, in the eye of uncompromising, unswerving, unchanging science, property; but what in colloquial speech and in legal diction is given that name.

Property in common speech and in law is any object of value which a person may legally acquire and hold. Piracy has at various ages been legal. Its fruits were at such times in the colloquial and in the legal sense property. The ownership of human flesh and blood was lawful in a large section of this country up to forty years ago. Legally it was property. Neither custom nor law now upholds these things. Neither in custom nor in law are they property.

The principles of political economy do not rest on

[1] "Academic Freedom in Theory and Practice," *Atlantic Monthly*, March, 1903.

human custom or human enactment. Nor do they change. They are based on laws of nature which are eternal. Those laws decree the unalienable right of each human being to himself and to the fruit of his exertions. Since a man's energies cannot produce anything except they be applied to natural elements, it follows that there must be free or at least equal access to nature, and no right of exclusion. Free human labor can then apply itself to the free natural elements and produce things needed to satisfy human desires. These things so produced are property. They are brought forth by labor from the natural elements. They belong to the man who produces them. The origin and only title to property in the politico-economic sense is production.

Privileges do not proceed from production: from labor applied to nature. They are not in essence even tangible things. They are grants of power: active or passive delegation of power of government to certain individuals to take property from other individuals. They are not moral; they contravene the moral law.

Is not this what President Hadley implies? When he uses the term "vested rights," he surely does not mean vested justice, but things that in morals must be classed as forms of injustice. "Vested rights" that are based upon the moral as well as the civil law can have no injustice in them, can do no harm, and should not be interfered with. But this President Hadley does not discuss. He refers not to what are *morally* vested rights. He speaks of what are *legally* vested rights, but implies that morally they are vested wrongs. Paraphrased to suit this meaning, the conclusion of his statement would be: "If we recognize vested wrongs in order to secure the means for progress in physical science, is there not danger that we shall stifle truth in its distinction between what constitutes the production of wealth and what constitutes the appropriation of wealth?"

Dr. Hadley answers this question indirectly. He im-

plies that vested wrongs are recognized by the higher institutions of learning and that the truth of political economy is stifled.

Tolstoy, in one of his later books, "The Slavery of Our Times," has a chapter devoted to "Why Learned Economists Assert what is False." In another chapter, on the "Justification of the Existing Position of Science," he says: —

> This wonderful blindness which befalls people of our circle can only be explained by the fact that when people behave badly they always invent a philosophy of life which presents their bad actions to be not bad actions at all, but merely results of unalterable laws beyond their control. . . . It is admitted as an undoubted truth that if in society many thieves and robbers have sprung up who take from the laborers the fruits of their labor, this happens not because the thieves and robbers have acted badly, but because such are the inevitable economic laws, which can only be altered slowly by an evolutionary process indicated by science; and therefore, according to the guidance of science, people belonging to the class of robbers, thieves or receivers of stolen goods may quietly continue to utilize the things obtained by thefts and robbery.

Tolstoy is not confining his arraignment to those who under present civil law are adjudged thieves and robbers. He includes as well those who, by privilege, by present social sanction, possess powers to take from laborers the fruits of their labor. Because such men do so appropriate, the distinguished Russian moralist accounts them to be, under the moral code, thieves and robbers.

What can be hoped for political economy in these circumstances? Biology, astronomy, physics, therapeutics, logic, theology and scores of other grand and sub-divisions of learning may be as free as the air. Deep researches may be conducted, remarkable advances made in application. The microscope may lend itself to horticulture, the telescope and camera resolve the Magellanic cloud into binary suns. The laboratory may disclose the illusive element, helium; the mysterious metal, radium; or open up a world of wonders embraced within

the human frame. We may be informed how to double the crops, save stock from epidemics, or produce a new kind of cheese. Philology may trace through surviving words the wanderings of long-forgotten nations; anthropology search the gigantic Persian Rock of Behistan, and, despite the scour and scar of a score and a quarter of centuries, read from its granite surface the vainglorious deeds of Darius, the king of kings; and from bits of baked clay dug from desert sand flash back the learning, art, wars, love, wit, wisdom, pride, ambition and mishaps of the remote city of Nippur. "Many subjects are taught to large classes at the best Eastern universities," says Mr. Bryce, "for the study of which hardly any students can be secured in England." [1]

But when subjects are approached that lead up to such nowaday things as the source of great fortunes, research and demonstration must move cautiously, lest all at once some one hit the pocket nerve, and, presto! away goes what President Hadley calls "the base of supplies."

The truth of the situation is presented in an incident that Mr. Louis F. Post of Chicago relates as a fact. "Why don't you endow a chair in economics in our university?" a distinguished educator asked a millionaire. "Well," was the reply, "I suppose it might be because I haven't much respect for the kind of economics the universities are teaching." "Oh," came the rejoinder, "that could be easily arranged to suit you."

The "touch," as Mr. Post calls it, was refused, for while the millionaire, unlike his class, was one who held extremely liberal views on economic questions, he had no more respect for this kind of college administration than he had for the regular brand of college "economics." [2]

Adam Smith observed, in his "Wealth of Nations," that he believed college endowments rendered teachers

[1] "America Revisited," *The Outlook*, March 25, 1905.
[2] *The Public*, Chicago, Feb. 27, 1904.

free of any sense of responsibility in their work. "In the University of Oxford," he declared, "the greater part of the public professors have, for these many years, given up altogether even the pretense of teaching." But if the authority to which, as the source of income, the teacher is made subject, resides, not so much in the body corporate of which he is a member, "as in some other extraneous persons," that extraneous jurisdiction "is liable to be exercised both ignorantly and capriciously." The person subject to such "jurisdiction is necessarily degraded by it, and, instead of being one of the most respectable, is rendered one of the most contemptible, persons in the society. It is by powerful protection only that he can effectually guard himself against the bad usage to which he is at all times exposed; and this protection he is most likely to gain, not by ability or diligence in his profession, but by obsequiousness to the will of his superiors." [1]

But if such "extraneous jurisdictions" were in the great Scotsman's time exercised "ignorantly and capriciously," those of our time heed the Hebrew proverb: "Get wisdom; and with all thy getting, get understanding." Privilege nowadays knows what it wants and what it will not have. And first of all, it will not have Adam Smith. He teaches too much of "natural laws"; he breathes too freely of the spirit of equal rights. Consequently the "father of political economy," as he was for a century called, is relegated to the rear in our higher institutions of learning. His immortal work, "Wealth of Nations," which Buckle, in his "History of Civilization in England," pronounces "probably the most important book that has ever been written," is, along with works based on that, made into a category called "the classical school of political economy." It is put high up on the shelves, and is no longer to be seriously studied as in the

[1] "Wealth of Nations," Book V, Chap. I, Part III, Art. II.

main defining the fundamentals of an everlasting science, but is only to be consulted by such as desire to examine the exploded notions of a past and less enlightened age!

And what kind of political economy is put in place of the teachings beginning with Smith and running down to John Stuart Mill? A thing emasculated like its name, for it goes commonly under the title, not of "political economy" but of "economics." No longer is taught the science of the natural order in social economy, but the science of disorder, if we may link the word "science" with the word "disorder." For with constant protestation of scientific method, the shining lights among the "economists" of our universities pursue methods devoid of the first essentials of science. They do not trouble to define their terms too clearly, for that would show at once that the monopoly principle is not wealth, cannot be defended in political economy, and must stand condemned as interfering with the operation of natural laws. To make that truth too evident would tighten the purse-strings of Princes of Privilege, who are now lavish with endowments. And so, setting out with this avoidance of precision as to the very subject-matter of the science — for political economy is the science of the nature of wealth, and of the natural laws governing its production and distribution — the thing "economics" begins anywhere, usually however, with a display of historical learning, and then proceeds with a hodgepodge of erudition, German metaphysics, hair-splitting distinctions as to non-essentials, excursions into fields belonging to other provinces, and new and bewildering uses of particular words.

Geometry, geology, zoölogy, philology, have their beaten ways, their ordered procedure, their separate knowledge, methodically formulated and arranged in a rational system, and their natural laws distinguished and defined. What are conceived to be the essential principles of each of these studies are hard and fast. They

do not change, as between authorities, or as between colleges, or as between ages. They rest upon eternal natural laws.

Not so with the university presentation of the science that deals with the social life of man. Its essential principles are no more hard and fast than is a fresh piece of putty, which may be pressed into a thousand and one shapes as it passes from hand to hand.

This soft, unresisting kind of pseudo-science can be made anything that Privilege wills, varying in this or that institution with the particular form of Privilege that there dominates. For instance, in the University of Pennsylvania, which lies within the sphere of influence of the huge steel-making and allied industries, a high protective tariff is taught to be an essential part of "economics"; whereas at Yale, where other forms of Privilege have sway, the protective principle is repudiated and cast out.

The more comprehensive question of the trusts affects Williams College in New England and the Rockefeller endowed University of Chicago antithetically. Says Professor John Bascom, holding the chair of Political Economy at Williams: "The question of trusts is an economic, social and civic question, and it is the duty of every college to meet it in all these relations. A college that is thriving on the money of the Standard Oil Trust is precluded by courtesy, by honor and by interest from any adequate criticism of its methods. It has foreclosed discussion on one of the most important questions which can come before it for consideration." [1]

On the other hand, Professor J. Lawrence Laughlin, of the political economy department of the Chicago University, ignoring the monopoly principle and treating the trusts only as large combinations of capital, says that "billionaire wealth is billionaire power," but the effect of such

[1] Signed letter in the *Chicago Chronicle*, Jan. 8, 1903.

power upon production and upon our political and moral growth is not necessarily derogatory, but results well or ill, according to the use to which it is put.[1]

This is only to say that any power whatever, from the despotism of the Cæsars to that of the president of a modern railroad empire, may be benevolently or malignantly used, according to the purpose or caprice of the individual holding it. But human actions are no part of political economy, which embodies natural laws. What men generally want to know about trusts is whether the coercive principle in them is a natural manifestation or an artificial one. If natural, it belongs to natural law and is inevitable. If artificial, it arises from human enactments and can be destroyed.

But it is not so much what the spokesmen of the Chicago University say as what they fail to say that constitutes their gravest offense. Yet how can they be expected to enter upon an examination of questions that vitally concern the fortune of its founder, Mr. John D. Rockefeller? Rev. Dr. Washington Gladden but phrases popular thought in saying: "I do not think any school that accepts money from Mr. Rockefeller will ever investigate trusts scientifically. It would not do this because it wouldn't investigate and publish the truth about Standard Oil, which admirably illustrates all the evils of the trust system. No school which takes money from Mr. Rockefeller will be honest in its treatment of Mr. Rockefeller's trust."

The Chicago University is an outgrowth of a small Baptist college, built in 1855 on land given by Stephen A. Douglas. Thirty years or more later the Baptist Educational Society was moved by the idea of a new college. Mr. Rockefeller, who belongs to that denomination, was approached. He promised $600,000 on condition that $400,000 should be added to it, which was done. Large

[1] Signed article in *New York Journal*, Dec. 5, 1898.

contributions have followed rapidly, until now the institution has received $20,000,000, of which Mr. Rockefeller has given more than $14,000,000. On all the official paper of the institution his name appears as founder.

Is it in human nature to take this huge sum of Rockefeller money and then question its origin? Is it not easier to accept what Mr. Rockefeller says about it? "God gave me my money and I gave it to the university," he told the trustees in a formal address. Whatever they may think about it, will they openly dissent from this? People generally know that this was not its origin. Railroad rebates, pipe lines and all manner of sharp practices gave the start to the Rockefeller Standard Oil fortune, and with that were acquired privileges of all sorts and descriptions. This was the livery the Chicago University put on when it accepted the $14,000,000. It cannot question the giver. It must hold its tongue; and in so doing, tacitly deny the great truths which as a higher institution of learning, it should make plain at all costs. It passes under the yoke of an intellectual and moral slavery, since it must needs forbear to tell that the source of its life and the chief means of its growth are at variance with the things clear to all men — with equal rights, with the natural order.

"The wrongful and unflinching way in which this wealth has been won," says Professor Bascom of Williams College, "the long period over which these extortions have been extended and the surprising success which has accompanied them, have made the Standard Oil Company the pioneer in a policy, the embodiment of methods which threaten the very existence of our institutions. Is a college at liberty to accept money gained in a manner so hostile to the public welfare? Is it at liberty, when the Government is being put to its wits' ends to check this aggression, to rank itself with those who fight it? It is not anti-trust laws that we need nearly so much as it is an anti-trust temper. If equal conditions were given to

all forms of production, the trust problem would shortly disappear." [1]

If this is true of Mr. Rockefeller and his gifts to the Chicago University, the same is to be said of the manifold gifts from Privilege to the higher institutions of learning throughout the country. Not that there are not some — many even — who, having acquired fortunes by privilege, are willing to spend liberally to educate the people to see the folly of privilege grants. Such men are as much to be honored as they are exceptional. But Princes of Privilege generally have no such liberal intentions. They strive to preserve their advantages, as to the origin of which they endeavor to keep the people ignorant.

This principle of preservation operates also in respect to Mr. Andrew Carnegie's gifts to the smaller colleges and to his $10,000,000 professional pension fund.

Much praise may without doubt be given to various forms of Mr. Carnegie's public munificence in spending the interest and perhaps something of the principal of his enormous fortune,[2] even if the manner is not after the

[1] Letter in *Chicago Chronicle*, Jan. 8, 1903.

[2] The phrase "to die rich is to die disgraced" has been popularly thought to have been uttered by Mr. Carnegie, and the deduction was that he intended to distribute practically his whole fortune before dying. In an interview in the *New York Times*, March 30, 1905, Mr. Carnegie was reported as saying: "I never said that to die rich was to die disgraced." Yet Mr. Carnegie did twice use a phrase that admits of the popular construction. It appeared in two articles bearing his signature, on the "Gospel of Wealth," in the *North American Review* for June and December, 1889. These articles have since been published in book form by the Century Company under title of "The Gospel of Wealth and Other Timely Essays." On page 19 of this volume will be found this passage: "Men may die without incurring the pity of their fellows, still sharers in great business enterprises from which their capital cannot be or has not been withdrawn, and which is left chiefly at death for public uses; yet the day is not far distant when the man who dies leaving behind him millions of available wealth, which was free for him to administer during life, will pass away 'unwept, unhonored and unsung,' no matter to what uses he leaves the dross which he cannot take with him. Of such as these the public verdict will then be, 'The man who dies thus rich dies disgraced.'" On page 21 of the same volume will be found this passage in the second article, referring to the foregoing passage: "The first article held that

scriptural injunction to let not the left hand know what the right hand doeth. First stands the founding and magnificent endowing of the Carnegie Institution at Washington to discover the principles of science, although it is highly improbable that steps will be taken to discover and to establish the principles of the science of political economy. Nor should it be overlooked that this Carnegie patronage of scientific research closely resembles the patronage of learning in the fourteenth century by the Florentine prince, Lorenzo the Magnificent — performed out of a great fortune wrung from the sweat of the common man's face. Perhaps less, but yet much, may be said in favor of the dispensing of some $30,000,000 over the country in "Carnegie Libraries," although the word "library" in this case means only buildings, and not books, nor does it provide for sites or for maintenance. These libraries really represent larger public than Carnegie outlay, so that while the buildings stand as monuments to Carnegie generosity, they might very much more justly be called public libraries — public monuments to learning.

Yet if the Carnegie Institution and the library building gifts pass with mixture of praise and questioning criticism, little but adverse comment is to be made on the Carnegie gifts to the smaller colleges and the provision for pensioning of teachers in the greater colleges and universities. How can such a course but help raise the premium for that contemptible, degrading "obsequiousness" which Adam Smith declared to be the accompaniment of "extraneous jurisdiction"? The multitude of the masters in our higher institutions of learning are but scantily paid

there is but one right mode of using enormous fortunes — namely, that the possessors from time to time during their own lives should so administer these as to promote the permanent good to the communities from which they were gathered. It was held that public sentiment would soon say of one who died possessed of available wealth which he was free to administer, 'The man who dies thus rich dies disgraced.' The purpose of this paper is to present some of the best methods of performing this duty of administering surplus wealth for the good of the people."

and can make only slight provision for superannuation. The multitude of our lesser colleges are gaunt and eager with hunger.

The university develops moral characters according to its material nourishment. Thomas Jefferson uttered the political and economic shibboleth of "Equal rights for all, special privileges to none." The University of Virginia which he founded breathed the doctrine of equal rights, except perhaps as to slavery.[1] But now that Mr. Carnegie has given it half a million dollars on condition that others should contribute a like amount, is the dictum of "special privileges to none" to be forgotten?

Shall this and the other colleges which Carnegie bounty has favored teach the truth about matters of vast public concern at this time: about rebates, pools, combines, stock water, lobbies, tariff schedules, monopolies of transit, oil, natural gas, coking coal and iron ore? Or shall there be dodging, dust-throwing, silence? Who can doubt the latter, except by the occasional college, or by such rare professors, as, taking their professional lives in their hands and ignoring "extraneous jurisdiction," boldly proclaim the truth?

The case is not merely as if Captain Kidd in his latter days, leaving off his ship-looting ways to endow colleges and win peace and honor, should have expected the preceptors to refrain from referring ever so delicately to the spring whence flowed his bounty. It goes deeper. It is as if, in making the endowment, the illustrious mariner, through his endowments, should have quietly intimated that the departments expounding the natural laws of commerce should do that expounding in such a way as not to proscribe the highly profitable vocation of piracy!

And thus it is that President Woodrow Wilson of Princeton declares, "We can't abolish the trusts; we must

[1] Jefferson himself, however, was clearly and emphatically against slavery.

moralize them." Ex-President Cleveland, delivering one of the Stafford Little Lectures at the same institution, reviews the Government's part in the Chicago strike of 1894, calmly telling how, through the Attorney-General of the United States, "instead of relying entirely upon warrants issued upon criminal statutes against persons actually guilty of the offense of obstructing United States mails," he devised a plan of procedure not contemplated by the laws — a plan by which "the courts should be asked to grant injunctions which would restrain and prevent any attempt to commit such offense." Professor Simon N. Patton of the University of Pennsylvania is reported as saying that "the whole social problem would be solved" were the young wife "to become income producer" in addition to the young husband. Professor J. S. Clark of Northwestern is said to contend that an unskilled American laborer can and should support a family decently and perhaps put something away out of $300 a year. Or observe how Mr. Rockefeller quotes as a defense of his career a thesis appearing in the *Quarterly Journal of Economics* of Harvard, and has it published in book form for gratuitous presentation to clergymen. Again, take note that President Charles W. Eliot of Harvard, addressing high school pupils in Buffalo, repeats his former declaration that "a scab is a hero," and adds: "I believe that long hours and hard work are best for every man. Work is the foundation of civilization, and work makes nations as it does individuals. No man can work too hard or hours too long if his health will permit."

Is it strange that in such an atmosphere the body of students come to harbor warped views about universities and other things? Thence come they to think that this *alma mater* — this fostering, nourishing, bountiful mother — is most wise, just, upright; and that all gathered within her sheltering fold are favored as by a kind of life fellowship. President Butler of Columbia says, "The *esprit de corps* of a college is its life." College "spirit" it is

called, but in the social conditions arising from the present unequal distribution of wealth it is fast becoming caste feeling.

For college "spirit" is not merely drawing a line, but digging a trench between those within and those without the college pale. Within, to college view, are the intelligent, the cultured, the wise, the well-to-do. Those without as a whole appear to be poor, improvident, ignorant, unreasoning and unreasonable. The college makes no real, concerted attempt to find *why* this is or appears to be so. That would expose Privilege, which interferes with the just distribution of wealth, and hence breeds social differences. The college treats the superficial appearance as the inner reality of things, and tacitly says that what thus appears to be, is right.

We have previously noted the uprising of class feeling among us. College spirit is giving to it the intellectual stamp. We hear now of the "intelligent class" and of the "ignorant class." This means, in plain words, that the people of leisure who go to college are the "intelligent class," while the people who have to work for a living and who do not go to college are the "ignorant class."

As yet this has had only sporadic issue in action. College students have appeared in New York and elsewhere as strike breakers. Their numbers have been insufficient to have material effect, but the spirit hostile to organized labor and critical of the whole body of "work people" has been manifested. Under stress of widening social disparities, the present nebulous college *esprit de corps* is likely to condense into sharply defined, aggressive, warring caste sentiment.

Such a state of things is hastened by the increasing cost of college life, which raises the barrier against the poor. At least such cost is rising in the greater universities, and the sentiments bred there must spread to the lesser institutions. Mr. John De Witt Warner, a regent of Cornell, has noted that the expense of the average undergraduate

there is fifty per cent. greater now than before 1885.[1] He ascribes this, to some extent, to the added cost of living common to the whole population. But the great cause he believes to be a departure from the simplicity and economy that until lately was the characteristic of the American college. Mr. Warner says: —

> It will scarcely be questioned that the expense of college life and its social and material demands are greater than twenty years ago — much greater than forty years since. That in all respects the Spartan regimen was the better, no one would insist. But that in this respect the atmosphere of university life has not become less pure and stimulating, few will question. From my observation — and it has been sufficiently deliberate and full to have made inevitable pretty decided convictions — university culture throughout the Northwest has been vulgarized and made less practical and helpful than it used to be. Similar tendencies are spreading through the West and South. Cornell's usefulness has been seriously damaged in this respect, though much less than has that of some of the more eminent of her rivals.

Mr. Warner suggests a policy of administration to mitigate the evil. But nothing short of a vigorous and rigid paternalism could check the quickening pace set by our young Princelings of Privilege. How unlikely is the adoption of such a policy appears from the abuse of the elective principle in selecting studies — an abuse which enables those who have been called "the lazy rich" to graduate with the least possible effort.

Now, as of yore, many poor young men, by strict economy and working outside between times, manage to carry themselves through such institutions. At Columbia, for instance, a considerable number of the undergraduates while enrolled in the university incidentally earn a portion of the pay for their schooling and living. Among their occupations are tutoring, soliciting for mercantile houses, ushering in theaters and elsewhere, bookkeeping, census taking, preaching, singing and playing in choirs, typewriting, waiting on table and clearing snow from sidewalks.

[1] "Simplicity and Economy in Student Life," *Cornell Alumni News*, Nov. 23, 1904.

There is something of the old American independence of spirit and eagerness to learn about this. But in the former times the money disparity between such as these and the other students was comparatively small. There was then no class of students who could bet a thousand dollars on a college game, pay $800 for the papering of a single room, spend $200 on a small supper, and give half that sum for a couple of seats at a championship fight. The valets and chauffeurs of such princelings at college get more of the creature comforts than many an earnest young undergraduate, who, with infinite strain, is grinding his way through.

Who will believe that all this is as it should be or that it is but the workings of the inevitable? In their heart of hearts, few. He who runs may read. Privilege, which itself is unnatural, has taken hold of instruction in the higher institutions and will hold to it as to its life.

CHAPTER III

DEPENDENCE OF THE PULPIT

EVEN though Privilege control the press and the university, what hope for empire over men's thoughts unless it gain the moral sanction?

For in all the relations of man to himself or to his Maker the question arises: Is it right? In all his relations toward his fellows he inwardly asks: Is it just?

Privilege is not just, for to be just means to be even, equal; to conform to natural, unchanging law. Privilege is an advantage. It means unevenness, inequality. It represents a human act of favor bestowed on one and refused another.

But Privilege desires to have itself called just; or at least it strives to avoid being called unjust. Aiming to control the teaching of morality, it follows the course pursued with the university: it becomes patron. It sits high in the temple. It makes large gifts. It raises shrines of splendor and grandeur in praise and thanksgiving. It sends missionaries to preach the word of faith to the benighted in remote parts.

And since the clergy are only men, who, in common with most other men, find it difficult under present social adjustments to get a living and be independent, they do what other men do — take the line of least resistance —

> Finding first
> What may be, then find how to make it fair
> Up to our means.

For reduced to dependence, the clergy must defer to the patron. What this means Adam Smith showed a

century and a quarter ago in the case of the Church of England.

> Under such a government the clergy naturally endeavor to recommend themselves to the sovereign, to the court, to the nobility and the gentry of the country, by whose influence they chiefly expect to obtain preferment. They pay court to those patrons, sometimes, no doubt, by the vilest flattery and assentation, but frequently, too, by cultivating all those arts which best deserve, and which are therefore most likely to gain them the esteem of people of rank and fortune; by their knowledge in all the different branches of useful and ornamental learning, by the decent liberality of their manners, by the social good-humor of their conversation, and by their avowed contempt for those absurd and hypocritical austerities which fanatics inculcate and pretend to practice. . . . Such a clergy, however, while they pay their court in this manner to the higher ranks of life, are very apt to neglect altogether the means of maintaining their influence and authority with the lower. They are listened to, esteemed and respected by their superiors; but before their inferiors they are frequently incapable of defending, effectually and to the conviction of such hearers, their own sober and moderate doctrines against the most ignorant enthusiast who chooses to attack them.[1]

There is no Established Church in this country and no body of our clergy is dependent upon the political powers in the way described by Adam Smith. But the receivers of government favors constitute a privileged class. And it is from that class that the clergy "chiefly expect to obtain preferment." It is to them that the clergy "pay court."

"There was a time," said Dr. Falkner, rector-emeritus of Christ Church, Germantown, in a sermon at the opening session of the convention of the diocese of Pennsylvania, "when the poor came to the Episcopal churches seeking and obtaining aid for body and soul, and felt that they were helped through its ministers. Is this so to-day?" Dr. Falkner had to confess that there are churches in which "the presence of the poor is regarded as bad form. If Christ Himself were to enter them, the pew openers would ask: What is that carpenter doing here?"

That this is true of some of the Episcopal churches "in practice if not in theory," says *The Churchman*, "and not

[1] "Wealth of Nations," Bk. V, Chap. I, Part III, Art. III.

in Philadephia alone, the observant church-goer will find himself constrained regretfully to admit. The spirit is not dead yet of which Bishop Potter gave the other day a curious illustration in his reminiscence of an old-time sexton of Grace Church, who, when taken to task for ordering a poorly dressed woman from one of the pews, replied, 'Why, if we permit that, they'll soon be praying all over the place!'"[1]

The Churchman thinks that if that spirit is not dead, "it is dying." Yet no explanation is made as to why or how it is dying. *The Churchman* frankly says that "as society is organized to-day, there cannot but be distinctions of class. These arise inevitably from differences in education, opportunity, occupation, race." The word "opportunity" would suffice to explain class distinctions. Those who possess natural opportunities must have great advantages over those who have them not. The difference is as between abundance and scarcity. But do the churches preach equality of opportunity? Here and there, yes. But they are as voices in a wilderness. The generality of the churches not only do not; they avoid the subject as a lion in the way. The celebrated case of Dr. Edward McGlynn of New York shows how the thorns and brambles must strew the path of him who undertakes in the organized denominations to open the way for others to preach the gospel of equal opportunity to God's bounties.

In October, 1886, Dr. Edward McGlynn, pastor of St. Stephen's Catholic Church in New York, and acknowledged to be one of the most scholarly and eloquent preachers in the city, was forbidden by the superior of his diocese, Archbishop Corrigan, from participating in a certain political meeting. Whether the archbishop did this of his own volition, or at the behest of certain powerful special interests that took fright at the priest's utterances lest their interests be hurt, has never been made clear. The archbishop assigned as the chief reason for his action that

[1] Editorial, "What is that Carpenter doing Here?" May 13, 1905.

the meeting was intended to promote principles that were "unsound, unsafe and contrary to the teachings of the Church." The heart of those principles was that God Almighty had made the earth for the equal enjoyment of all his children, and not to become the private and exclusive property of some. Dr. McGlynn replied to his ecclesiastical superior that these principles were not contrary to the teachings of the Church, and that, since he had been announced, he could not refrain from speaking at the meeting consistently with his own respect and without publicly renouncing the rights of an American citizen. And speak he did, with a consequence of being temporarily suspended from his priestly duties.

Later the archbishop issued a pastoral letter to be read in all the Catholic churches of the diocese condemning "certain unsound principles and theories which assailed the right of property." Dr. McGlynn's name was not mentioned, but every one perceived that the principles reprobated were those which the St. Stephen's pastor had publicly avowed. Dr. McGlynn thereupon gave an interview to the *New York Tribune*, carefully repeating his views. For this he suffered a further suspension at the hands of the archbishop, who at the same time procured a cable message from the Prefect of the Propaganda, Cardinal Simeoni, ordering Dr. McGlynn to repair instantly to Rome; "not to be complimented," said Vicar-General Preston, but "to be disciplined." Dr. McGlynn declined to go, and again he stated his "doctrine about land," saying: —

> I have taught, and I shall continue to teach in speeches and writings as long as I live, that land is rightfully the property of the people in common, and that private ownership of land is against natural justice, no matter by what civil or ecclesiastical laws it may be sanctioned; and I would bring about instantly, if I could, such change of laws all the world over as would confiscate private property in land, without one penny of compensation to the miscalled owners.

The archbishop thereupon published a cable message which his presentation of the matter had procured from

Cardinal Simeoni directing him to "give orders to have Dr. McGlynn again invited to proceed to Rome and also to condemn in writing the doctrines to which he has given utterance in public meetings or which have been attributed to him in the press."

Dr. McGlynn, still refusing to recant or to go to Rome to be "disciplined," was on July 3, 1887, excommunicated. Several other priests in the diocese who failed to give outward sign of disapproval of the McGlynn utterances were punished by transference, among them perhaps the most distinguished Catholic ecclesiastical jurist in the United States, Rev. Dr. Richard L. Burtsell, who had been Dr. McGlynn's legal adviser. He was deprived of his church in New York City and was sent to the little Church of St. Mary's at Rondout, on the Hudson River.

But though forbidden to perform the priestly duties, Dr. McGlynn cherished the old saying, "Once a priest, always a priest." He made Sunday night addresses on the land question in Cooper Union, before the Anti-Poverty Society, of which he was president and of which a large part of his St. Stephen's parishioners were members; and the land doctrine, instead of losing, steadily gained believers.

Five years later, when Pope Leo XIII sent Archbishop (now Cardinal) Satolli to this country as his special representative, the latter, presumably following instructions, re-opened Dr. McGlynn's case. He first accepted from Dr. McGlynn's counsel, Dr. Burtsell, an exposition of the McGlynn doctrine. At suggestion of the apostolic delegate, Dr. McGlynn himself also presented a brief exposition in writing in the precise terms in which he had been preaching it. This paper was submitted by the delegate to a committee of four of the professors of the Catholic University at Washington and was by them unanimously pronounced to contain nothing contrary to the teachings of the Catholic Church. The ban of excommunication was thereupon removed, and next day, Christmas, 1892,

Dr. McGlynn, for the first time in more than five years, celebrated mass. In the evening he delivered his usual address on the land question before the Anti-Poverty Society at Cooper Union.

Moreover, Archbishop Corrigan was directed to assign Dr. McGlynn a church. The one selected by the New York prelate was St. Mary's in the little town of Newburgh on the Hudson, like that, and close to that, assigned Dr. Burtsell. Dr. McGlynn quietly and faithfully performed the duties of his priestly office at St. Mary's until his death in 1900, although whenever occasion seemed to require it, and notably at the funeral of his intimate friend, Henry George, he issued forth to preach the doctrine that the land was made for all men equally and not to become the exclusive property of some. And as a further proof that special interests can no longer bring sufficient influence to put the Catholic Church's seal of condemnation on this doctrine, Dr. Burtsell has recently received special honors from the new Pope, Pius X, who has made him a monsignor.

Archbishop Corrigan, who had condemned Dr. McGlynn's "unsound principles" relative to "property," and who had pronounced them to be "contrary to the teachings of the Church," was completely reversed and signally rebuked. Yet it is probable that but for the really world-wide sympathy and encouragement Dr. McGlynn's case excited — covertly from the priesthood, openly from the laity — it might never, despite the indisputably brilliant services of Dr. Burtsell, have appeared important enough, against the presentations of the Archiepiscopal Palace in New York, to reopen. It was a great victory, primarily because of the magnificent courage of Dr. McGlynn in facing what seemed to be utter and irreparable personal disaster and in holding fast, without compromise or equivocation, to what he believed to be a fundamental truth — the very corner-stone truth of civilization. The superb heroism of that act and the obvious righteousness of the

doctrine for which he was called upon to suffer expulsion and public disgrace together produced a tide of sentiment that nothing could withstand. Privilege, in the persons of certain of the hierarchy and laity of New York who had denounced Dr. McGlynn's teachings and had held him up to the world as an "unfrocked priest," was overborne.

But if this decisive triumph has come out of the remarkable McGlynn struggle, other victories have yet to be won on other questions and in other denominations. Even in respect to so palpable and immediate an evil as political corruption, the clergy of the country too generally "pay their court to the higher ranks of life." *The Churchman* of New York (Episcopal) furnishes an illustration of this:—

> Recently, when Dr. Newman Smythe of Connecticut sought to arouse the conscience of the people of that State to the character and extent of the political corruption which it was proposed to reward by a seat in the United States Senate, he was left to fight his fight almost alone, neither church nor press lending him efficient aid. . . .
>
> It is not the foreign immigrants nor the poor and landless city voters who are at the bottom of this public brigandage, but the native-born, property-holding Americans, precisely that class which constitutes the clientele of the churches.[1]

A daily newspaper relates the distressing story of Rhode Island's "gagged and bound" clergy. "The taking of bribes," says the correspondent, "is not looked upon as a crime by some leading church workers and men of substance in the country. For this reason the pastor, unless he wishes to terminate abruptly his career of usefulness, is bound to defer to the sentiment of the community. Take the case of the big mill towns. No country clergyman can afford to offend the mill owner, who is in a large sense his patron and on whom, in some degree, his livelihood depends."

And who that has been through the hard coal regions of Pennsylvania has not found the clergy there, taking them generally, modern examples of the chaplains and

[1] Editorial, "Public Brigandage," May 20, 1905.

confessors of the predatory barons of old? It was formerly the practice in the anthracite fields for the operator to deduct a percentage of the men's wages for "religion." The operator divided the aggregate sum in proportion to the respective faiths of the men, but practically selected the minister in each denomination to receive the money. If, with the passing of the old-style petty autocrats from the anthracite regions and the coming in their place of the great companies, the dispensing of stipends out of the miner's earnings has all but ceased, the bondage of the clergy to the "coal owners" is no less real and deadening.

Nor is the bondage different in its effects in other places. Wherever Privilege rears its head it seeks the moral sanction. It desires and obtains the benefit of clergy. Sydney Smith declared that the theological divisions sought by the Bishop of Peterborough could best be shown by mapping England in colors as the geologist does to indicate differences in the earth's formation. How well this might be adapted to present the dependent condition of the clergy in certain parts of the United States: black for the livery of the coal interests; dark red for the iron ore; blue for steel; brown for timber; checkered for railroad; peach-blossom pink or robin's-egg blue for the tribe of fashionable pastors who, in eloquent periods, prate to the monopoly-made rich of righteousness and justice, but omit any mention of how monopoly robs the poor.

At a meeting not long since in New York State, of a Southern educational society, a Protestant Episcopal bishop spoke up in deprecation of the caution in expenditures some one advised in fear of an early financial crisis in this country. "The country to-day," said he, "is in the hands of a dozen capitalists who control affairs, and who, as a matter of self-protection, will prevent any calamity!" Apparently the bishop spoke figuratively, for there is no such concentration of wealth and power as his words describe. Yet even in this sense had he anything to say in disapprobation of a state of things so opposite to the

theory of our Government — a Government of, by and for the people, and not, as his remark implied, by and for "a dozen capitalists"? He said nothing about this.

"Things are not so bad," remarks a newspaper, "as when Wesley complained that one man would not listen to him for fear of hearing something against cock-fighting, yet the reluctance of our preachers to touch their most influential parishioners on the raw is proverbial."

Does this explain why, when, not long since, two hundred ministers of various Protestant denominations gathered in Holy Trinity Church, in Philadelphia, to petition the Almighty to redeem the city from political corruption, no part of that prayer, or of the addresses that preceded or followed it, even alluded to the powerful public franchise corporations that bought and paid for that corruption in order to rule and rob the city and its people? These clergymen knew whence came the corruption funds, the campaign "dough," the bribe money. The very school child knew that. Yet not one minister among them spoke up and said that civic rule was rotten because this railroad company, that traction company, such-and-such lighting system and so-and-so telephone corporation — the names of which all could give — were putting contamination into the civic blood. Two months later, when a gas franchise steal of unprecedented audacity shook the public from its lethargy into a tumult of indignation, these clergymen rushed in and helped kill the project; but they stirred not until the general population was surcharged with excitement.

True some, like Blougram, may

> . . . have a soul and body that exact
> A comfortable care in many ways.

Others are like a distinguished Methodist preacher, now bishop, who, called to officiate at the funeral ceremonies over the heir of a Western railroad king, compared the youth alive to the boy Christ. Or like the Presbyterian

doctor of divinity, who, over the body of one of the worst political corruptionists Pennsylvania ever knew, calmly declared that the deceased "was always on the right side of every moral question." Or, like the Unitarian minister, who, delivering an oration in the United States Senate-chamber beside the casket of a man who had become Senator by sheer bribery and who had boasted that he carried the "larger business methods" into national politics, eulogized this "whole-souled child of God who believed in success and who knew how to succeed by using the infinite powers."

There are others, many others, who resemble Bishop Hopkins of the Protestant Episcopal diocese of Vermont, who just before the Civil War was one of those who quoted the scriptures to uphold slavery:—

"Cursed be Canaan, a servant of servants shall he be unto his brethren. . . . If thou buy an Hebrew servant, six years he shall serve, and in the seventh he shall go out free for nothing. If he came in by himself, he shall go out by himself; if he were married, then his wife shall go out with him. If his master have given him a wife, and she have borne him sons or daughters, the wife and children shall be her master's, and he shall go out by himself. And if the servant shall plainly say, I love my master, my wife and my children; I will not go out free: then his master shall bring him unto the judges; he shall also bring him to the door, or to the door post, and his master shall bore his ear through with an awl, and he shall serve him forever."

And then said this Vermont bishop of fifty years ago:—

Where was the sin of holding them in slavery? When the Almighty commanded His people to buy and own the posterity of the heathen, was it a sin to obey Him? And how could that which He commanded be a crime against morality? Where is the "law" which is "higher" than the code laid down by the Deity? Where is the rule of morals which shall claim supremacy over the Word of God?[1]

[1] "The American Citizen: His Rights and Duties, according to the Spirit of the Constitution of the United States," by John Henry Hopkins, D.D., LL.D., Bishop of the Protestant Episcopal Church in the Diocese of Vermont. New York: Pudney & Russell, 79 John Street. 1857. pp. 123 and 125.

But none of these things can be said of the great part of those teachers of morality who fail to be bold against the master evils of to-day. They simply realize their dependent position. This makes them silent about things which otherwise it would be their first aim to arraign. They reason that if they are to be of any help to mankind they must not antagonize those special interests which will contribute liberally toward that part of the moral work as to which there may be no dispute. And so the body of the clergy holds its peace.

This raises what *The Evangelical Messenger* (Cleveland, Ohio) calls a "knotty problem of casuistry." Yet it probably was what caused the Prudential Committee of the American Board of Commissioners for Foreign Missions (Congregational) to solicit and accept the famous $100,000 contribution of Mr. John D. Rockefeller. Against the storm of criticism from independent clergymen this action produced, the committee said merely that "to prevent a man from doing good is a wrong way in which to condemn him for doing evil. It is as wrong to condemn him when he is doing a good deed as not to condemn him for doing a bad deed." Baptist, Methodist and other denominational bodies took virtually the same stand. They said in substance that it was not their business, as ministers of the Christian gospel, to inquire whence comes the money, but simply to consider in what way the most good can be done when they get it.

To that resolve Dr. Washington Gladden, moderator of the Council of the Congregational Church, cries with icy irony: "No discrimination is henceforth to be made. The pirate or train robber may bring his booty . . . and it will be thankfully received; and if sufficiently large it will be described as a 'magnificent gift'!" Says Dr. Josiah Strong of the same denomination, "One has no right to accept a gift which the donor has no right to give."

"But," retorts the other side, "all this implies that Mr. Rockefeller had no legal right to gather his money as he

did, which is unjust to him. He was within the statutes. There was no law against rebates when he commenced their use." Mr. Henry H. Rogers, Mr. Rockefeller's associate in the Standard Oil Company, puts the matter in specific terms: "Slavery in certain sections of the United States was legal until President Lincoln's Emancipation Proclamation. Rebates on railroads were just as legal until the passage of the Inter-State Commerce Commission Act." [1]

While it is true, as a daily paper caustically remarks, that "Mr. Rogers simply shows that his moral vision is bounded, east, west, north and south, by the penal code," it may also be said that Mr. Rockefeller's use of the railroad rebate made a prohibitory law necessary. Before that the rebate was legal negatively. There was no statute, and no thought of a statute, against it. But in his hands it became a club to beat out the brains of competitors. Congress then had to declare it unlawful. Witness the contract between the Standard Oil Company and the Pennsylvania Railroad, October 17, 1877. In that instrument the Standard Oil Company, by William Rockefeller, vice-president, accepts a ten per cent. "commission [rebate] provided that no other shipper of oil by your line shall pay less than the rate fixed for us before such rate is deducted." [2] The Standard contracted for a fixed low rate for itself, but a fixed high rate for its competitors over the privately owned public highway!

Moreover, as Dr. Gladden has observed: —

> Mr. Rockefeller and his doings have felt more than once the heavy censure of the courts of law. Again and again in the legal tribunals of Ohio and the United States his business methods have been denounced. In 1892 the Supreme Court of Ohio dissolved by a decree the Standard Oil Trust, which had been doing business for ten years, and had amassed several great fortunes. The language of the court was: "Its object was to establish a virtual monopoly

[1] Statement to the press, March 31, 1905.

[2] "The History of the Standard Oil Company," by Ida Tarbell, Vol. I, p. 372.

of the business of producing petroleum, and of manufacturing, refining and dealing in it and all its products, throughout the entire country, and by which it might not merely control the production, but the price, at its pleasure. All such associations are contrary to the policy of our State, and are void."[1]

"Great heavens!" Rev. Artemus Jean Hayes of New Haven exclaims in a sermon, "is there nothing certain in this world until some court of law has passed upon it? Even among lawyers is there not such a thing as *prima facie* evidence?" And then comes the *New York Evening Post* with the dissecting knife: —

An endowment of scientific research, for example, might be taken without demur from a criminal rich man. Microbes can be hunted for with money that has not been disinfected. So, too, it might fairly be argued that a hospital or asylum or trade school or geographical expedition could be financed by a man whose ways of making money would not bear inspection by the moralist — or even by the grand jury. With colleges and universities we reach more dubious ground. A gift to education by a man whose career is a glorification of piracy may instantly undo the moral teaching of those who profit by it; but, on the other hand, the foundation may become deodorized by the lapse of time, as have the pious mediæval gifts to education by oppressors and robbers, and hence it may be a nice question whether college trustees should neglect such an opportunity to build for the future. But when we enter the Christian church, the ground whereon we stand is holy, and all the excuses with which men may be shod elsewhere should be put off their feet. . . . "If thou bring thy gift to the altar, and there rememberest that thy brother hath aught against thee, leave there thy gift before the altar, and go thy way; first be reconciled to thy brother, and then come and offer thy gift." Imagine the long line of brothers who have aught against Mr. Rockefeller![2]

The early Fathers of the Christian Church had clear things to say on this head and they said them. Lecture 6 of Book IV of the Apostolic Constitutions, which are at least fourteen hundred years old, treats of the question,

[1] *The Outlook*, April 22, 1905.

[2] Editorial, March 22, 1905. In a subsequent issue appeared a letter to the editor signed "An American Woman," who told of a business woman who gets her "best" orders from prostitutes, but who "contributes liberally to the church."

"Whose oblations are to be received and whose not to be received." In this straightforward way the word is given:

> Now the bishop ought to know whose oblations he ought to receive, and whose he ought not. For he is to avoid corrupt dealers, and not to receive their gifts. "For a corrupt dealer shall not be justified from sin" (Ecclus. xxvi. 29). . . . He is also to avoid extortioners and such as covet other men's goods, and adulterers; for the sacrifices of such as these are abominable with God. Also those that oppress the widow and overbear the orphan, and fill prisons with the innocent, and abuse their own servants wickedly, I mean with stripes and hunger and hard service, may destroy whole cities; do thou, O bishop, avoid such as these and their odious oblations. Thou shalt also refuse rogues, and such lawyers that plead on the side of injustice, and idol makers, and thieves, and unjust publicans, and those that deceive by false balances and deceitful measures . . . and every one that is wicked and opposes the will of God. . . . For those that receive from such persons, and thereby support the widows and orphans, shall be obnoxious to the judgment seat of God. . . . For the bread which is distributed to the widows from labor is better, though it be short and little, than that from injustice and false accusation, though it be much and fine.[1]

Is it because there are what Professor E. A. Ross calls "new varieties of sin," the "tropical belt of sin we are now sweeping into" being "largely impersonal" and impossible of discernment, that clergymen come forward in such evident good faith as that manifested by Rev. John Hutchins, of Litchfield, Conn., to assure the world of the simple Christian life Mr. Rockefeller lives; or that causes Rev. Dr. R. S. MacArthur of New York to declare that "the coarse, cruel and perhaps criminal criticisms of Mr. John D. Rockefeller have maligned the entire Baptist denomination"?

Be these things as they may and also be it true or otherwise that Mr. Rockefeller has broken State or United States statutes — all such matters fade into insignificance beside the question of political economy involved. "Given the railway and economic conditions, the progress of the

[1] The Apostolic Constitutions, edited by James Donaldson. Published by T. & T. Clark, Edinburgh. 1870. p. 111.

Standard Oil Company was quite inevitable," says Mr. Gilbert Holland Montague in his "Rise and Progress of the Standard Oil Company," the book which Mr. Rockefeller is reported to have sent gratuitously to a large part of the clergy of the country. To admit the premises is to accept the conclusion. For what else can follow if the oil lands can be made private property, and public highways (railroads and pipe lines) can be made private possessions? It only needs a genius for organization, coupled with a nature bereft of mercy, to carry everything before it.

But it is blasphemy of the worst kind to call this the work of God Almighty. Mr. Rockefeller, nevertheless, implies that it is; and President Baer of the Anthracite Coal Combination is reported to have said: "God in His infinite wisdom has given the business interests of the country" into the hands of certain "Christian men" who will take care of every one else. But in what manner shall this care be bestowed? Does young Mr. Rockefeller — John D. Rockefeller, Jr., — explain? He gave his Bible class at the Fifth Avenue Baptist Church in New York a parable, presumably to make clear economic conditions. "The American Beauty rose," said he, "can be produced in all its glory only by sacrificing the early buds that grow up around it"!

"In his economic argument," scornfully replied Dr. Newell Dwight Hillis, of Brooklyn (Congregational), "this young man tells the working classes brutally that 999 businesses must be snipped off in order to produce one American Beauty, namely, his trust." Rev. Herbert S. Johnson, of Boston (Baptist), came closer to the bone in remarking that "the Church's failing popularity with laboring men is due in large measure to her reputation for economic injustice." Rev. Thomas A. Ducey, of New York (Catholic), touched the very marrow in saying that "no organization of wealth may corner the bounties of nature and escape unscathed." But does the Christian Church generally say these things? Alas, it does not.

For there are givers of oblations who have acquired great wealth by means contrary to the laws. These may, in seasons of great excitement, be arraigned and chastened. But there are other and larger givers who enjoy legal and social sanction, whose process of heaping up is, nevertheless, in utter conflict with morals, since it is through possession of government-made advantages, which work injustice by taking from the many much that is rightfully theirs. Why decry Mr. Rockefeller's use of the rebate, if he may without question possess the railroad and the pipe line, both properly public highways? Why charge Mr. Rockefeller with acts of tyranny or villany in the producing and refining fields, if he have full warrant to monopolize the oil-bearing soil? If the one thing is wrong, surely the other and larger is wrong also. If it is wrong, it is against morals. If it is against morals, it is the duty of teachers of morals to condemn and denounce. Some do, but how can the many, when the Nobles of Privilege are the chief patrons of the Church and have an overmastering influence?

BOOK VIII

PRESENT AND PAST

The race of mortal man is far too weak
To grow not dizzy on unwonted heights.

— GOETHE: *Iphigenia.*

Let there be no change by usurpation; for though this, in one instance, may be the instrument of good, it is the customary weapon by which free governments are destroyed. — WASHINGTON: *Farewell Address.*

History, it has been said, is philosophy teaching by examples.

— MACAULAY: *Essay on History.*

CHAPTER I

CENTRALIZATION OF GOVERNMENT

DE TOCQUEVILLE says that the history of the world affords no instance of a great nation retaining the form of republican government for a long series of years, and that this has led to the conclusion that permanency is impracticable. While for his own part he thinks it imprudent to limit what is possible, yet he believes it may be said with confidence that a great republic will always be exposed to more perils than a small one. He observes: —

> All the passions which are most fatal to republican institutions increase with increasing territory, whilst the virtues which favor them do not augment in the same proportion. The ambition of private citizens increases with the power of the state; the strength of parties, with the importance of the ends in view; but the love of country, which ought to check these destructive tendencies, is not stronger in a large than in a small republic. It might, indeed, be easily proved that it is less powerful and less developed. Great wealth and extreme poverty, capital cities of large size, a lax morality, selfishness and antagonism of interests, are the dangers which almost invariably arise from the magnitude of states. . . . In monarchical states . . . the more numerous are the people, the stronger is the prince. But the only security which a republican government possesses against these evils lies in the support of the majority. . . . [On the other hand] in great republics political passions become irresistible, not only because they aim at gigantic objects, but because they are felt and shared by millions of men at the same time.[1]

Are we in this Republic exempt from these dangers? Have we not "great wealth and extreme poverty, capital cities of large size, a lax morality, selfishness and antago-

[1] "Democracy in America," Vol. I, pp. 203–206.

nism of interests"? And do we not find that "political passions" have "become irresistible, not only because they aim at gigantic objects, but because they are felt and shared by millions of men at the same time"?

While it is certain that the idea of direct, popular election of United States Senators and the even larger idea of popular initiation of legislation and the reference of all important legislative matters to popular vote are rapidly gathering adherents in the United States, it has to be admitted that these ideas must have a long and bitter fight before they can triumph over conditions that have fastened and hardened upon us. For, as we have seen (Bk. VI, Chaps. I and II), Privilege has been busy shaping politics to its own interest and away from general democratic control. In this respect the tendency of politics and the administration of government is toward centralization — the centering of power in fewer and fewer hands. Indeed, this result we already find greatly developed in municipal, State and Federal political affairs.

In local affairs we have traveled far from the New England town-meeting idea, which Jefferson declared to be "the wisest invention ever devised by the wit of man for the perfect exercise of self-government and for its preservation." The movement is toward centralized power — a power at once removed from the immediate inspection and control of the people in general, and at the command of Privilege.

Many are the evidences of this in our State and municipal Governments. The Pennsylvania Railroad desired certain extensions of an earlier grant to enter and leave New York City by tunnel. The Mayor and other administrative officials favored the extension. The Board of Aldermen saw, or feigned to see, material objections. They refused to give consent which, under the city's charter, was required to make such extension valid. The Board asserted that it was protecting public interests. The railroad corporation broadly intimated in the newspapers

that the Board's action was a pure and simple "hold-up," and that for once the corporation was resolved not to be "bled." There was a protracted dead-lock, and then the railroad, anxious to get its tunnel built and in operation, went to the State Legislature and procured an amendment of the city's charter, depriving the Board of Aldermen of the right to grant franchises and vesting that power solely in the Mayor and the administrative heads.

Rarely has there been a more striking and balder exhibition of the power of a privileged corporation to effect legislation to its liking. Was there a general outcry? Scarcely a protest. The general feeling was that the aldermanic body was venal, and that it would be for the immediate public good to have the proposed railroad facilities. So the railroad corporation was permitted to work its will.

In the District of Columbia, the capital of the nation, fear of domination by colored voters has superseded democratic government. Congress acts as the local Board of Aldermen, and the administration is placed in the hands of three commissioners appointed by the President. The expense of erecting and keeping up the Federal buildings is borne solely by the Federal Government, while one half the general expense of conducting the District is paid out of the Federal treasury, the other half out of District taxes. This is commonly spoken of as "government by commission."

By those who fear the weakness as well as by those who fear the strength of the people, it is hailed as an ideal example of wise municipal government. Such persons would have the municipalities in all our States governed by similar commissions, the members of such bodies to be appointed by the respective Governors. The public-spirited Dr. Goldwin Smith urges this idea. He does it regretfully, it would seem, but yet with the implication that the people must be saved from themselves. No attempt is made to seek out and remedy the cause of sloth-

fulness, indifference or corruption of the people. The fact that the people are slothful, indifferent or corrupt is sufficient in the minds of such interested or disinterested persons to prove a failure of popular government, at least in local affairs, and to require resort to centralized powers.

With that ground thus prepared, Privilege, using one or another of the political parties, resorts to centralization; or political parties so act themselves "for what there might be in it." The Mayor of New York at the time of the Pennsylvania Railroad amendment of the city charter was a Democrat, while the Governor and a majority in the State Legislature were Republicans.

Several times the Republican party boss of New York State has vainly attempted to put the police force of the Democratic city in the hands of a commission to be appointed by a Republican Governor. For a precedent he went to the State of Missouri, where control of the St. Louis police had been removed from a Republican Mayor and vested in commissioners named by a Democratic Governor.

The Democratic Governor of Missouri orders the sheriff of St. Louis County to prevent all betting at Delmar race track, and intimates that he will, if necessary, support the sheriff with State militia. Chicago merchants appeal to the Governor of Illinois to send State troops to prevent occasional missile-throwing from ten-story windows during a strike.

Governor after Governor in Northern as well as in Southern States has deemed it necessary to call out troops to prevent lynchings, so far has local authority failed or been set aside.

In Pennsylvania the unique "Coal and Iron Police," created for the express use of the coal and iron companies, has been superseded by a State constabulary, ostensibly to act as fire, forest, game and fish wardens, and to protect the farmers; but really to serve as a more efficient police body for the coal and iron companies. The coal and iron

workers have denounced the new institution as a fresh weapon for use against them in time of strike. One of the provisions of the constabulary law is that any man trespassing on property whereon a warning sign is displayed is subject to arrest and a fine of ten dollars. As a coal mine worker observed, "During a strike this will put strike pickets in jail faster than they can be supplied."

Nor is there general or effective protest at this march of centralization. How much objecting was heard in Colorado from men of standing and influence at the trampling on local rights by the Governor and the militia acting under his general command during the gold, silver, coal and smelting strike? Little or none. Everywhere the remark was repeated that if the action of the Governor and of those bodies of citizens who acted with him was not lawful, yet it was for the public good.

Is not all this tending directly away from that form of democratic government which Jefferson called "the wisest invention ever devised by the wit of man for the perfect exercise of self-government and for its preservation"? Yet many men of just mind and not ungenerous motives hold that local affairs are not properly political, but are business affairs. They fail utterly to see that local affairs are the business affairs of everybody and therefore the very corner-stone of politics. De Tocqueville speaks forcibly here: —

> It must not be forgotten that it is especially dangerous to enslave men in the minor details of life. For my own part, I should be inclined to think freedom less necessary in great things than in little ones, if it were possible to be secure of the one without possessing the other. Subjection in minor affairs breaks out every day and is felt by the whole community indiscriminately. It does not drive men to resistance, but it crosses them at every turn, till they are led to surrender their own will. Thus their spirit is gradually broken and their character is enervated. . . . It is vain to summon a people who have been rendered so dependent on the central power to choose from time to time the representatives of that power; this rare and brief exercise of their free choice, however important it may be, will not prevent them from gradually losing the faculties of think-

ing, feeling and acting for themselves. . . . It is, indeed, difficult to conceive how men who have entirely given up the habit of self-government should succeed in making a proper choice of those by whom they are to be governed; and no one will ever believe that a liberal, wise and energetic government can spring from the suffrages of a subservient people.[1]

We well might ponder this and wonder, as we review the political field near at hand and over a wider range, if it does not fit our case? For, as there is a centralizing movement in the respective States, so is there an even stronger centralizing movement from the States toward the Federal Government. Everywhere Privilege grows more potent; and as it strengthens, it centers power in fewer and fewer points. We can have no choice but concede that so far as actual political workings and results are concerned, our learned Russian contemporary, M. Ostrogorski, in his "Democracy and the Organization of Political Parties," presents a faithful picture. The will of the party machine has to a great extent superseded the great democratic will; at any rate in normal times and in the absence of any political convulsion. Popular will, through general suffrage, quickly superseded, as to effective operation at least, the electoral college, which had been established in the Federal Constitution for the periodical selection of the incumbent of the presidential office. But the general suffrage next abdicated its right of free, conscientious exercise, and has fallen into the habit of choosing between the candidates named by the party nominating conventions, these conventions being, M. Ostrogorski thinks, animated by the hope of patronage, while a larger, but in no way conflicting influence is embodied in the needs and desires of Privilege, the manipulator of politics. Any manifestations of independence by the individuals who have occupied the presidency do not, in the eminent observer's judgment, refute his conclusion, but confirm it, since they prove the rule by the exceptions.

[1] "Democracy in America," Vol. II, pp. 394-396.

That is to say, the people at large have long since been so engrossed by the business of getting a living that they have turned over the matter of their political thinking largely to party machines, and Privilege has had only to capture those machines to acquire control of a greatly centralized political power. Who of us will gainsay this statement by M. Ostrogorski: —

> Instead of molding opinion, the caucus maims it, by forcing it into and keeping it within the groove of the stereotyped parties. It cripples the character and the intelligence of the citizens. Having monopolized the nomination to elective offices, it propagates, to get itself accepted, the conventional conception of "regular" candidatures introduced by the congressional caucus, and establishes it more firmly on that other conventional conception of the will of the majority, which it (the machine) claims to represent by the mere character of its constitution. Continually invoking this majority and paying it ritual homage by the routine of its proceedings, it makes external conformity the sole criterion, a criterion which dispenses with private judgment and individual responsibility. Henceforth even a "yellow dog" had to be voted for, once he was put on the party ticket. The ticket could not be meddled with on pain of sacrilege; the party had become an object of fetich worship. For the individual conscience party piety substituted party discipline. To make that discipline binding, the caucus created an ethics of its own, it created conventional virtues, such as "party loyalty" and "party regularity"; it invented conventional vices, such as "bolting" and "scratching"; the man who severed his connection with his party was a "kicker," a sort of public malefactor, whereas he who followed his party with his eyes shut was a "patriotic citizen."

We can find *why* the mass of citizens accept this condition of things if we do what M. Ostrogorski does not do — examine social conditions which underlie political conditions; for men are social before they are political; they must satisfy their physical wants before they will, at least in a sustained way, think about their political rights. If in its practical operation government is to be administered by only a part of the people, and for the advantage of that part solely or chiefly, then the ordinary man must wonder if, in this era of great economic disparities, when huge monoplies by their exactions intensify the struggle of the mass for mere bare comforts — the necessaries in our stage

of civilization — it is not better for the average man in the mass to give up the dream of democracy and look rather to some kind of benevolent despotism, where the principle of *noblesse oblige* might be expected to cause the despot, while exclusively exercising the privileges of decreeing and administering the laws, to see that his political serfs, subjects or creatures obtained for their labor sufficient to guarantee their physical health, and also, within narrow limits, their mental and moral peace and development.

They might well conclude that a despotism that feeds them is better than a democracy that starves them.

Perhaps a mixture of these feelings and a further feeling of the futility and the danger of protesting kills enterprise in men who otherwise would be active in politics and the promotion of the democratic idea. But are not men who have even such an inclination growing less numerous? Disagreeable though it be to admit it, candor nails us to the truth that the strong-man idea is rapidly growing in favor among us. Give the strong man authority — that is the thought. And the argument in favor of it is: if the strong man be honest, let him alone. And what if he prove inconsistent in many things or even that he make blunders? Shall these things be held against him who is working for the public weal? What if he takes to himself powers not given him by law, if he do this in order to act in the public interest? And who cares if this assumption of power prove a precedent for some other strong man later — some other man who may not be so single-minded? When such a situation arises it can be met. Meanwhile let the strong man alone. Give him added powers and grudge him not their extension if he sees how by such extension he can do things.

Put this to the test of facts. Mr. James Ford Rhodes, the historian, has told us how during the Pullman-Chicago railroad strike, in 1894, Mr. Cleveland, "under advice of his able Attorney-General, made a precedent in the way

of interference for the supremacy of law and the maintenance of order." [1] How much "supremacy of law and maintenance of order" followed this action we may judge from the report made by the investigating Commission appointed by President Cleveland himself.[2] But that aside, we may agree with Mr. Rhodes that President Cleveland did "make a precedent," and a very serious precedent, in sending Federal troops to Chicago on appeal of the railroad corporations and against the repeated and most solemn protests of the Governor of Illinois.

That was the action of a Democratic President. In the spring of 1899 a Republican President, Mr. McKinley, made a similar "precedent." He sent regulars to Cœur d'Alene, Idaho, during a labor trouble. If the Governor there did not protest at the Federal Executive's action, neither he nor the Idaho Legislature invited it. Certainly no such action by the President, considering the circumstances, was contemplated by the authors of the nation's Constitution.

Mr. Elihu Root, after he had retired from Mr. Roosevelt's cabinet as Secretary of War and before he had returned to it as Secretary of State, gave public utterance to the evil flowing from such a course, saying: —

> There is a constant tendency to ignore such limitations and condone the transgression of them by public officers, provided the thing done is done with good motives, from a desire to serve the public. Such a process, if general, is most injurious. If continued long enough, it results in an attitude of personal superiority on the part of great officers which is inconsistent with our institutions, a destruction of responsibility and independent judgment on the part of lower officers, and a neglect of the habit of asserting legal rights on the part of the people.[3]

"The moment that a people," says an editorial in the New York *Independent*,[4] "ceases to decide what things

[1] "The Presidential Office," *Scribner's Magazine*, February, 1903.
[2] See Bk. V, Chap. IV.
[3] Address before the Yale Law Seniors, New Haven, Conn., June 27, 1904.
[4] Nov. 24, 1904.

it wants and proposes to have, and leaves all such decisions to its Government, with a merely general demand that the Government promote the general welfare and the common happiness, that moment the reality of republicanism has ceased, and the reality of personal rule, under whatever name or disguise, has begun."

And has not "the reality of personal rule" begun? As has been remarked, a strong tide is at present running toward the abdication of power, of responsibility, even of thought, by the people in favor of the Chief Executive of the nation. The fancy is for a "strong man" in that office and a strenuous policy; for a man who will "do things." And encouraging and strengthening that fancy is a great party movement which thrives and expects to continue to thrive by supporting such a man and policy. Behind it and directing it is vested Privilege, which in one way or another hopes to make such a man its friend and figurehead, or at least to shear the locks of whatever aggressiveness he may have against it.

This "strong man" idea is not without bold legal portrayal. Mr. Charles A. Gardiner, the constitutional lawyer and distinguished member of the New York bar, calling the present time "the age of executive development," describes the attributes of the President of the United States as those of "a majestic, constitutional figure, uncontrolled by Congress, unrestrained by the courts, vested with plenary constitutional power, and absolute constitutional discretion — a sovereign over eighty million people and the servant of eighty million sovereigns, whose sole inspiring purpose is to serve his fellow-citizens, guard their liberties, and make this nation the freest, most enlightened, most powerful sovereignty ever organized among men." [1]

What does the lawyer mean by this? A dictatorship? A dictator would scarcely ask more power than Mr.

[1] "The Constitutional Powers of the President," an address before the New York State Bar Association, Jan. 18, 1905.

Gardiner construes the Constitution as giving the President. The lawyer cites the Tenth Amendment, which reads, "The powers not delegated to the United States by the Constitution nor prohibited by it to the States, are reserved to the States respectively, or to the people." Mr. Gardiner interprets this to mean that all powers belonging to the States, and not delegated by them to the United States, remain reserved to the States; and that likewise all powers belonging to the people of the United States at large, and not delegated by them to the United States, remain reserved to the people. And then, argues he, since the people created the President, and endowed him with their executive and magisterial attributes, "they expressly invested him with practically all their executive and magisterial powers. The whole is equal to the sum of the parts. Hence such executive and magisterial sovereignties, passive and active, must include those that may at any time have been reserved in the Tenth Amendment; and the President has express constitutional power to execute them."

From this follows as a logical consequence the idea of presidential "absolute discretion."

> The discretion of the President is exclusive and absolute. The President's powers are political. They are *pro tanto* the sovereign will of the people. Will implies judgment or discretion. Free will, a free and absolute discretion. Political power, which is the sovereign will, necessarily carries the sovereign and absolute discretion in its exercise; therefore, the President has plenary and absolute discretion, and is responsible to no human power except a court of impeachment.

Whether the Constitution is properly to be construed in this way is not the question here. What we are noting is that, whether properly or improperly, this argument *is* made, and that it defends a movement that is virile and strong — a movement that gathers in aggressive, militant executive hands.

This concentrated power manifests itself in a marked degree in various directions. One of these is the develop-

ment of the "Executive Order," based upon the President's construing of certain laws. By such an order Mr. Roosevelt retired in one day last summer fifty-five navy officers, practically in the prime of life, each officer receiving the next highest rank on retiring and a pension of three-quarters of the pay of his new grade. These men were retired on their own application and were free to go into other employment, which doubtless many of them have done or will do. Certainly this is not according to the simple reading of the law. Such a result probably never occurred to the members of Congress who drafted and passed the statute. After a similar generous fashion, Mr. Roosevelt has "suspended" the operation of the civil service laws relative to appointments. He has also made tariff rulings which have been equivalent to distinct enactments.

But more prominent than any of these cases is that of a pension order, No. 78, issued through the Secretary of the Interior. A bill had been introduced into Congress known as "H. R. 11199." It proposed that any person who had served ninety days in the army or in the navy during the War of the Rebellion, and who had reached the age of sixty-two years, should become entitled to a pension of eight dollars a month; that every one who had become sixty-six years of age should be entitled to ten dollars a month, and every one who had reached seventy years should be entitled to a pension at the rate of twelve dollars a month. This measure involved a great increase in the pension expenditures. Congress refused, or at any rate failed, to pass it. Yet the President appeared to be determined to carry out its terms precisely as if it had been passed. He required the Secretary of the Interior to issue an order decreeing that the Pension Office would so act. This order was issued on March 15, 1904. The majority in Congress being of the same party as the President, this arbitrary action went without more than a brief bickering.

"Why is it necessary for Congress to do any labor on pension affairs?" asked a Democratic United States Senator. "Why not leave it all to the Secretary of the Interior and let him run it by Executive Order in the future?"

This indulgence of mild satire was practically the only weapon the Democrats in Congress could use in the case, for when they attacked, the Republicans retorted that President Roosevelt, Republican, had merely followed a precedent established by President Cleveland, Democrat. That smothered Democratic opposition. Which is as much as to say that party spirit is ready to condone executive aggression. Does this not verify De Tocqueville's words, "In great republics political passions become irresistible, not only because they aim at gigantic objects, but because they are felt and shared by millions of men at the same time"?

And it is always to be remembered that what democracy loses in the centralization movement Privilege directly or indirectly acquires and temperately or intemperately uses. Privilege is the antithesis, the enemy, the destroyer, of equality. It seeks embodiment in highly centralized government, from which to despotism is but a step.

CHAPTER II

FOREIGN AGGRESSION

An invariable consequence of strong centralized power is foreign aggression. Not only is Privilege the cause and largely the controller of such centralization, but, in the fascinations and glamours of foreign encounters, managements and annexations, it finds ways to still the voice of discontent and rivet the chains of hardship on the masses at home.

But such asseverations are as nothing unless susceptible of proof. Where is our proof of foreign aggression? First read the case of the Hawaiian Islands.

Many years ago American missionaries went to the Hawaiian Islands to carry the gospel. Whether their work was effectively done need not be mentioned. The important point to note here is that, besides being missionaries, these clergymen and their families for the most part in the course of years became large landowners there.

Who owns the land, owns the inhabitants thereof. Out of the missionaries' landed possessions arose the idea that Hawaii did not belong so much to the native Hawaiians as to the missionary families. The latter thereupon resolved to take political as well as landed possession. To resolve was one thing, to execute another, since the missionary families were but a handful of the population. But with the coöperation of the American diplomatic representative at Honolulu, the Hawaiian capital, and the aid of the United States war-ship *Boston*, a *coup d'état* was effected. The *Boston* landed marines and sailors.

This was done ostensibly to "protect" American life and property and to "prevent" incendiarism. It really lent the force of arms to the revolution. The American missionary party formed a provisional Government and endeavored to make a treaty with the United States looking to annexation. But before the treaty could be ratified by the United States Senate, Mr. Cleveland succeeded Mr. Harrison in the presidency here. The former condemned and repudiated the part played in the Hawaiian insurrection by the American minister. He refused to approve the treaty and actually withdrew it from the Senate's consideration. But on Mr. McKinley's election, the request of the Hawaiian rump Government for annexation was heeded, and the archipelago in the Pacific Ocean, 2700 miles southwest of San Francisco, became a possession of the United States.

Thus we see that a body of American citizens became a privileged class in Hawaii, and used the powers for aggression of our Republic politically to overturn and then to absorb those islands.

In the island of Santo Domingo, one of the West Indian group, we have displayed a different form of this aggressive principle. Like other of the West Indian and most of the Central and South American governments, the politics of the Dominican island have been revolutionary and excessively extravagant. To the outside world it has seemed as if one unscrupulous Administration or Government followed another, with the chief aim of personal enrichment out of the public finances. Of course this could have but one consequence — heavy public debt. It meant depreciated credit and extraordinary interest required by insecurity of loans. It is a favorite proceeding of a certain class of Princes of Privilege belonging to the banking world in stronger outside countries to buy up the bonds of such discredited Governments. Such bonds are often to be had at a mere song — say ten, and even as low as five, per cent. of the value borne on their face.

The endeavor is then to have the outside Government interfere and compel the payment of the bonds at or near their face value, or else give some substitute which the bondholder shall regard as equivalent.

Something like this was in progress in Santo Domingo. President Morales of the Dominican Government, pressed by that Republic's creditors, concluded to turn over the administration of the customhouses to representatives of the United States Government so as to guarantee payment of the bonds. An agreement, called a "protocol," but which was really a treaty, was on January 20, 1905, signed by Hon. Thomas C. Dawson, United States Resident Minister, and by Citizen Juan Francisco Sanchez, Secretary of State of Foreign Relations of Santo Domingo, for that Republic.

The first section of the first article of this so-called protocol read: —

> I. The American Government agrees to undertake the adjustment of all the obligations of the Dominican Government, foreign as well as domestic; the adjustment of the payments and of the conditions of amortization; the reconsideration of conflicting and unreasonable claims; and the determination of the validity and amount of all pending claims.

To this end the American Government was to take charge of the Dominican customhouses and customs receipts, and on or about the first of February, some ten days or so after the protocol had been signed, a news dispatch was published in a New York newspaper that representatives of the United States Government had actually taken over the customhouses in the island and had begun to execute the protocol.

And for whose comfort and benefit was this execution being made? Not for that of the people of the United States at large. They were ignorant of possible advantage or disadvantage from that source and even of what was transpiring there. Nor was it for the well-being of the people of Santo Domingo at large. Nobody seems to

have mentioned them throughout this whole business. The chief consideration was for the Santo Domingo Improvement Company of New York and other American creditors, and afterward for other similar creditors in Europe. Besides, it was suggested that President Morales, recognizing the temporary nature of Dominican governments, and anxious to secure his own tenure of office, had sought the protection of the United States Government; for under article seven of the protocol, the United States Government, "at the request of the Dominican Government," was to *preserve order* there. "In other words," remarked the *New York Evening Post*, "Morales may comfortably disband his army and turn over to us the work of keeping Dominican conspirators and incendiaries in order."

When the Dominican customhouses were turned over to United States representatives, the "protocol," which in diplomatic parlance is regarded as merely a "first draft" of a treaty, became a treaty in fact. This was in direct violation of the Constitution of the United States, which requires all treaties to be made "by and with the consent of the Senate." President Roosevelt had acted in utter disregard of the Senate. He had taken to himself not only the treaty-making power, but had entered upon a policy of intervening and conducting the affairs of another Government. He seemingly had no intention of submitting the matter to the Senate, and he did submit it only when the Senate demanded information. Then the whole matter was ventilated, many of the provisions of the protocol were condemned and struck out, and the task of finally agreeing upon a proper form of treaty went over to the next Congress.

But while the Senate may resent the attempt of the President to ignore it and to act alone, its majority seems to share his views regarding such governments as the Dominican Republic. Senator Spooner of Wisconsin expressed the dominant idea during the Senate debate

on the treaty. He said in substance that the relations of the misgoverned or ungoverned and semi-bankrupt little Republics of this hemisphere to their creditors across the water will always be a source of uneasiness and of possible danger to us, unless we can, in some such way as that sought to be provided in the case of Santo Domingo, assume control over them and arrange the payment of the debts.

But where does this policy stop? With annexation, nothing less. Once enter upon the plan of interfering, and the act of swallowing must sooner or later follow. "The scope of the new policy," says the *New York Times*, "broadens rather startlingly as we contemplate the possible field of its application." To the other little indebted Republics of the western hemisphere our new policy reduces to this simple question, "Who next?"

Is not this a primary question with Venezuela, for instance? We have dismissed from our diplomatic department with public censure a man who was our resident minister at Carácas, the capital of Venezuela. The cause ascribed was that he so far yielded to "indiscretion" as to turn from the deaf ears of his official superiors at Washington and give to the public press charges of grave official misconduct on the part of his predecessor in the office of American minister at Carácas, who had since become Assistant Secretary of State at Washington. Minister Herbert W. Bowen was discredited and cast out, and Assistant Secretary of State Francis B. Loomis excused and retained.

Yet it was shown beyond denial that Mr. Loomis had had for appointment to the Venezuelan post the backing of the Asphalt Trust of the United States and Venezuela, and that he had, while minister, "exchanged checks," each to the value of $5000, with the Asphalt Trust. It was also shown that he had while in that post become the agent of a West Virginia corporation organized to obtain mining concessions in Venezuela; that he had advanced

$5800 to the putative American, Mercado, on the security of contested torpedo-boat scrip issued by the Venezuelan Government; that he also entered upon an agreement with Mr. Charles R. Mayers to procure, for an estimated remuneration to Mr. Loomis of more than a million dollars, the refunding of Venezuelan loans held by an American syndicate, the minister stipulating, however, that before commencing active work on this plan he should resign from his post of official representative of the United States.

If these projects were more or less failures, the intent was clear. It had a decidedly dark aspect. "How far must a man be smirched before he becomes too shady for our State Department?" asks a daily journal. Yet it should not need argument that our diplomatic service must be rid of all this taint of commercialism if to outside peoples our motives are to appear disinterested. Like Cæsar's wife, our official representatives abroad must be above suspicion. But in light of such a case as this, how can Venezuela fail to suspect us as a people, as well as our diplomatic representatives? President Schurman of Cornell in a recent speech said that "Venezuela, too, will soon look to us for some relief." Venezuelans, like the annexationists of Hawaii, who hope for personal advancement, may so look. But the mass of Venezuelans — how will they look at us? Probably in the way that a fascinated bird stares at a snake when, paralyzed by fear, it beholds the reptile gliding forward to devour it. A demonstration of how the devouring act can be performed was given in the case of Hawaii; and again in that of Panama.

In compliance with the practically unanimous desire in this country for an inter-oceanic canal, Congress passed an act on June 28, 1902, popularly called the Spooner Act, which authorized the President to negotiate for the acquisition of the property of the Panama Canal Company and for the control of the necessary territory of

the Republic of the United States of Colombia on which that property was situated. The act further directed that, failing to conclude with Colombia on reasonable terms, the President was to negotiate for the acquisition of territory in Costa Rica and Nicaragua for the building of a Nicaraguan canal.

Under this authority President Roosevelt made a treaty with the United States of Colombia. This treaty was approved by our Senate, but was rejected by the Colombian Senate, although the State of Panama, through which the canal was to run, favored it. The President should then have turned to the Nicaraguan route, as directed by the Spooner Act. But he delayed. Talk of Panama's secession was in the air. And suddenly a few men, influenced, it has been charged, by the Panama Canal Company which desired to sell its partly built canal to the United States Government, got up a real or pretended rebellion against the authority of the United States of Colombia. Our President, who had been merely marking time, as it were, now started into amazing activity. He immediately recognized the independence of the State of Panama. Not alone that: he actually forbade the United States of Colombia to transport troops to Panama, and he sent war-ships and landed marines to enforce this command.

Mr. Carl Schurz, distinguished no less for his public spirit than for his service in President Hayes's Cabinet, makes the indictment against Mr. Roosevelt in four charges. First: That the President violated the law directing him, failing an arrangement with Colombia, to negotiate for the Nicaraguan route. Second: That the President "trampled under foot the principle for the maintenance of which we sacrificed in four years of bloody civil war, nearly a million human lives and many thousands of millions of dollars — namely, that principle that under a Federal constitution like ours — and the existing constitution of Colombia is in this respect very much like ours,

perhaps even a little stronger — a State has no right to secede from the Union." Third: That the President not only recognized the right of secession, but that he also recognized the independence of the seceded State without giving the Colombian Federal Government the slightest chance to enforce its lawful authority in the rebellious community — that in fact he sent our soldiers to prevent it from doing so, "thus committing what was practically an act of war against Colombia." Fourth: That the President did all this in flagrant violation of the provisions of the treaty of 1846 with Colombia, by one of the provisions of which the United States of America "guaranteed the rights of sovereignty and property possessed by Colombia over the territory of Panama."[1]

What if the new Republic of Panama did immediately grant our Government all that we asked in the Panama canal zone and thus cleared the way for digging the inter-oceanic canal there? Is this to count for a moment against what we have lost by our outrageous highhandedness, to give the thing no other characterization? As some one has said, We gave the Declaration of Independence for a ditch.

And how can our southern neighbor Republics regard us as a consequence of our conduct? Only as a menace to them. They actually call us "*El peligro del Norte*," meaning, "the northern peril." Are we not a northern peril to them? Witness what Mr. Roosevelt has said in a public letter. It is in general terms, but it has peculiar application to the southern Republics. "It is not true that the United States . . . entertain any projects as regards any other nations, save such as are for their welfare. All that we desire is to see all neighboring countries stable, orderly and prosperous. Any country whose people conduct themselves well can count upon our hearty friendship. If a nation shows that it knows how to act with

[1] "An Open Letter to the Independent Voter," October, 1904.

decency in industrial and political matters, if it keeps order and pays its obligations, it need fear no interference from the United States. Brutal wrongdoing or an impotence which results in the general loosening of the ties of civilized society may finally require intervention by some civilized nation, and in the western hemisphere the United States cannot ignore this duty."[1]

Who is to say what is for the "welfare" of other nations? Who is to be judge of what constitutes "decency in industrial and political matters," "brutal wrongdoing," "impotence," and "a loosening of the ties of civilized society"? Certainly the southern Republics have not even been asked to pass upon such matters. Instead they have been curtly told that they must submit to it. Does this tyranny become any the less tyranny because it is done in the name of civilization and of "benevolent assimilation"? "The worst tyrants," interjects *Life* most pertinently, "are those who know no law but the indulgence of their own benevolence."

How benevolent we can be we have revealed to the world in our military and civil administrations of the Philippine Islands. As the late Senator George F. Hoar of Massachusetts said in commencing a speech on the Philippine question in Congress, "We have to deal with a territory 10,000 miles away, 1200 miles in extent, containing 10,000,000 people." In the case of Cuba, a Spanish possession fighting for freedom, we guaranteed independence, and we have made good our guarantee. In the case of the Philippine Islands, likewise a Spanish possession fighting for freedom, we gave such guarantee only in vague and general terms, while we have actually treated them as a bought-and-paid-for province. As a matter of fact, we gave Spain some $20,000,000 to get out of the islands and leave them to our dominance and govern-

[1] Letter to Mr. Elihu Root, read at the second anniversary dinner celebrating Cuban independence, held in New York, May 20, 1904.

ment. How have we exercised this jurisdiction? Never tired of quoting from our sacred charter of liberties, that governments "derive their just powers from the consent of the governed," we force upon the Filipinos at the point of the bayonet our ideas of what is good for them. Senator Hoar reminds us that in relation to the acquisition of Louisiana, Florida and Alaska, Jefferson, John Quincy Adams and Charles Sumner maintained that there was nothing in these territories at the time of cession which could be called a people, and that if there had been, the United States would not have been willing to acquire such territories without the consent of such people. Whereas, in the Philippines, we have undertaken to acquire by purchase from a protested outside power the privilege of governing an unwilling people as numerous as the combined populations of the States of Maine, New Hampshire, Vermont, Massachusetts, Rhode Island, Connecticut, New Jersey, Delaware, Maryland and Virginia. In the Philippines, it is true, there is a large class in much the state of poverty, ignorance and superstition characterizing a considerable number of the colored and even of the white inhabitants of our Southern States. But there is also a well-educated class, and among that class are highly cultured individuals. When does a nation of ten millions of people begin to have the right of self-government?

For the Philippine Islands, said Senator Hoar, we have had to repeal the Declaration of Independence.

Our soldiers there have been guilty of flagrant and repeated acts of deceit, treachery and wanton cruelty. We have promoted to a brigadier-generalcy an officer who by his own boastings and the testimony of his superiors and subordinates was guilty of rank baseness and perfidy in the capture of the Philippine commander, Aguinaldo. Those boastings should have brought him before a court-martial for trial and, if there found guilty, should have caused the removal of his shoulder straps, accompanied by condign punishment, for his violation of the usages of

a civilized nation in war [1] and for making us responsible for what should be revolting to the judgment and the instincts of a just, self-respecting and gallant people.

That such conduct was not punished was due probably not to one but to several important reasons. First, because, shameful as it is to have to admit, our soldiers in the Philippines have been guilty of so many acts of perfidy and deliberate torture — the "water-cure" being one of the most common forms of the latter [2] — that to punish one would involve and probably cause the punishment of many, which would make a terrific scandal before the eyes of the whole world. Hence practically all who were brought to trial were whitewashed. Secondly, while this whitewashing was going on at the court-martial trials in the Philippines, the War Department at Washington was declaring with brazen effrontery that the war was being conducted on our part with unexampled humanity! Third: The Philippine question becoming a party question among us, most men judged it, not upon its merits, but with the prejudice and passion of party bias, which practically makes the announcement, "For my party and my party's policy, good, bad, or indifferent."

But what of the Supreme Court? Can no question be brought before it that shall give it opportunity to show that these things are outside the Constitution and therefore without legal sanction? That was done — with what result? — in the Insular cases, affecting trade relations be-

[1] See the articles of the Hague Convention, agreed upon by the representatives of the United States with other representatives on July 29, 1899, and ratified by the United States Senate, March 14, 1902.

See also "Instructions for the Government of Armies of the United States in the Field," prepared by Dr. Francis Lieber, and promulgated by President Abraham Lincoln. Tried by these instructions, Colonel Funston and his associates were heavy offenders and should have met with heavy retribution.

[2] In his recent illuminating, comprehensive and temperate book, "Our Philippine Problem," Henry Parker Willis, Ph.D., recites the infrequency of quarter and the frequent use of torture by our soldiers (pp. 16–17). He also says that torture is used to some extent by the constabulary (p. 145).

tween the United States and the island of Porto Rico after the latter was acquired by us through the war with Spain. On May 27, 1901, the Supreme Court of the United States, by a division of five to four justices, decided in the De Lima case that at the time that tariff duties under the Dingley Act were levied against certain fruit brought to New York from Porto Rico the treaty with Spain ceding Porto Rico had been in operation; that "Porto Rico was not a foreign country within the meaning of the tariff laws, but a territory of the United States;" that the duties had therefore been illegally exacted and were recoverable by law. And then on the very same day, May 27, 1901, the same august tribunal, by a division of five to four, decided, in the Downes fruit tariff case, that while the island of Porto Rico "is a territory appurtenant and belonging to the United States," it is "not a part of the United States within the revenue clause of the Constitution;" that the Foraker Act of Congress, applying the Dingley Act expressly to Porto Rican imports to this country, was constitutional; that that act was in operation when the Downes fruit came to New York, and that therefore the duties were legally exacted and could not be recovered.

Mr. Charles Frederick Adams, one of the brilliant counsel in the De Lima action, says: "The court in one case said that Porto Rico was not a foreign country and that therefore the Dingley Act, taxing imports from foreign countries, could not apply against it; whereas, in the other case the court declared that while the island was not a foreign country, it was not strictly a part of the United States, being in some nondescript limbo, and that therefore some kind of a tariff act passed by Congress would apply against it."

Consistency is not a rigid rule with any court and Mr. Choate in the income tax case before the United States Supreme Court cited many precedents to show that the court *need not* follow precedents. This may explain how that court in one day could make the conflicting Insular

decisions. But how could it decide that a tariff emanating from an act of Congress could apply against any territory of the United States in face of the express prohibition of the Constitution? The ordinary man may fall back on Philosopher Dooley's ruminations: That whether the Constitution does or does not follow the flag, the court follows the "election returns." The policy of the majority party of the country being for tariff protection, even as against the newly acquired territory of Porto Rico, it may be that the Supreme Court, in the later one of the two test cases coming before it, found a pretext for declaring that tariff duties could apply against the island! It illustrates the inertia of mass in a popular government. So that here again are the words of De Tocqueville verified, "In great republics political passions become irresistible, not only because they aim at gigantic objects, but because they are felt and shared by millions of men at the same time."

This tells why, though our civil government in the Philippines, with its secret police and espionage,[1] is much like that of the system of delators in the terrible days of the Imperial despot Domitian at Rome; why, though we have muzzled the press, refused jury trial in civil cases, and destroyed some of the protecting conditions of the writ of *habeas corpus;*[2] why, though we are ordering things there not really for the benefit of the masses of the people of the Philippines, but really for the fattening of Privilege — we, or at least the major part of our people, make no protest. It is all supported at the call of party spirit. It is all accepted as incidental to the idea of a "trust for civilization," which is unctuously proclaimed by those who think they are wise and just enough to govern other men without such other men's consent. It is the idea that we are to play the part of the benevolent policeman among the nations.

[1] "Our Philippine Problem," see "Constabulary" in contents.
[2] "Our Philippine Problem," p. 157 ff. and pp. 107–108.

The present occupant of the presidential office is the personification of this spirit, who remarks to his compatriots that we should go on our way peaceably, of course, but that we should nevertheless carry with us "a big stick." That is to say, we are advised, indeed we are most pressingly urged, to arm more heavily. At a time when, in Jefferson's picturesque language, we might have proved "but a mouthful the more" had we become involved in the great European wars — when we had a very small population and were not rich — we had only a scant navy and the merest skeleton of an army. But now that we are a world power in population, general intelligence and wealth, we must needs arm to the teeth. We have Germanized our army on the general staff principle, have increased the number of our regulars, and incidentally incorporated our militia as practically part of them. And all the while the cry is deep and constant, "More war-ships, more war-ships."

And this arming is to what purpose? To be prepared for war, is the glib answer. And this in face of the fact that casual preparation counts for little. Seldom is a nation really prepared for actual conflict with an equal power, unless it deliberately devotes itself to arming for a particular war, practically as Prussia did against Austria and France, actually as Japan did against Russia. In the generality of cases those who would have us go heavily armed belong to either one of two classes: to the ship-building and armament rings, the food, clothing and other supply contractors, who become enriched out of a liberal public purse; or to army authorities who have soldiers at their command, or to aristocrats of the quarter-deck, who, furnished with larger and finer ships, itch for a pretext to use them against some inferior power.

When a member of the Senate during the last Congress asked why one thousand more marines were requested by the Navy Department, Senator Hale, Chairman of the Naval Committee of that body, answered ironically: "I

think that perhaps the Senator does not realize that the marine corps is the essential part of the navy that is called into use in times of peace. The principal object of a big navy in times of peace is to bully small and weak powers."

That tells part of the story; and "troops to *pacify* Samar" tells another part.

Our "big stick" policy is a strenuous, always-up-and-doing-valiantly policy.

> Sing me a song divine,
> With a sword in every line,

is the style of it. "Trust for civilization" means no less than the advent of the benevolent bully — a bully having a benevolence that consults only his own tastes and inclinations.

And how can there be aggression abroad without reactionary tyranny at home? Thus centralized and armed, Government must inevitably be used by Privilege to make fresh assaults upon the rights of the masses already robbed by Privilege into poverty. Popular suffrage will be subjected to worse corruption or to limitation. And then will follow the deadliest of internecine warfare — class conflict. If the avenue of relief "be shut to the call of sufferance," said the prophetic Jefferson, "it will make itself heard through that of force, and we shall go on, as other nations are doing, in the endless circle of repression, rebellion, reformation; and repression, rebellion, and reformation again; and so on forever." [1]

How can such dire misfortune overtake this nation? That is the question most of us ask when we give so much as a passing thought to the matter. And the confidence of security it implies proves that we have developed a state of mind such as has lulled to disaster other peoples whom, also, the Goddess Fortuna has flattered with long-

[1] Letter to Samuel Kercheval, Monticello, July 12, 1816, Jefferson's Writings, Ford Edition, Vol. X, p. 44.

continued smiles. But warning signs are for others to heed. Even now as the land grows rife with malignant social and political disease; even while we are privilege-gripped at home and have become an imperial, conquering nation abroad, we recount, with calm assurance for the future, how we have solved all the problems arising in our past. We speak of having a predetermined part to play in the great events of the world — a destiny. We nurture a strong feeling of optimistic fatalism. We tell ourselves that we are marked for supreme achievements; that our march is to be forward, without wavering or turning; that we are to carry the sword of peace and the torch of civilization to factious and benighted nations; that we are to lead in the progress of mankind.

And so we exchange vigilance for vanity and overweening self-confidence such as charmed into a poppy-sleep many a people gone before until the hour and the spirit for saving action had passed forever.

CHAPTER III

CIVILIZATIONS GONE BEFORE

THE southeast wind has sprung up at sunset. It blows freely over the stern and swells the sails. The vessel leaps forward. As she rounds Cape Sounion and enters the Saronic Sea, Athens — superb, imperious, beloved Athens — though more than a score of miles away, shimmers through the crystalline atmosphere. There, distant, soft and mellow, is the temple-crested citadel of the violet-crowned city. There the matchless Parthenon rises, and beside its columns and pediment shine flamelike the golden helmet and spear-head of the colossal goddess, Athene Promarchus — "she who fights in the foremost rank." Behind the city lies Mount Hymettus, "violet-bathed" in the sunset. Later, as the vessel speeds on, ranges into view "rosy-tinted" Mount Pentelicus; and then Mount Lycabettus, as in a "furnace glow."

How the traveler's heart beats and leaps before him as he gazes! Never before has his native city seemed so radiant, so majestic, so inspiring, so heaven-endowed. Returning from travels through the civilized world, he realizes beyond all cavil and peradventure that in art, in feats of arms, in intellect, Greece is preëminent. And Greece is led by Attica, while Attica is ruled by Athens, the mistress of the world.

It is the Golden Age of Pericles. Greece leads civilization. Take Athens alone, and where is the nation with names to compare with her sons? What sculpture can rival the works of Phidias and Praxiteles; what painting

that of Polygnotus? Is not the architecture of Ictinus and Callicrates the despair of the world? Has not dramatic poetry come to exquisite flower in the persons of Æschylus, Sophocles, Euripides and Aristophanes? Where are there orators like Demosthenes, Æschines, Isocrates and Lysias; historians like Thucydides and Xenophon? Who of the living has surpassed the generalship of Miltiades and Nicias; will mortal memory forget the sea fight of Themistocles at Salamis? Where in the sweep of civilization is a statesmanship comparable with that of Pericles and of Cimon; where have the gods raised philosophy and morals to the heights of Socrates and Plato; where paralleled Aristotle's formulation of knowledge?

All these men are citizens of the state of Attica. Other Greek states have sons whose names are likewise monuments to art, to learning, to literature, to statecraft, to military prowess, to philosophy, to morals. Does not intellect govern the world? How then can Greek supremacy fail? Other civilizations have faded and gone out. But with such a constellation of genius, how can Greek progress falter?

Thus with natural pride might have reasoned the Greek traveler as he eagerly pressed homeward.

Yet even then, with all her dazzling splendor, Greece, and particularly Athens, was as a statue with head of gold and feet of clay. An aristocracy held as their private property the soil and all the avenues of production. The mass of the population was composed part of slaves and part of dependent freemen who had to compete with slaves for subsistence. The community was divided into mutually hating classes — those who possessed special privileges, and those who possessed them not; those who basked in appropriated riches, and those who toiled in poverty. Plato called these classes the "hares and lions."

"Even poor Athenians kept a slave or two," says Professor Mahaffy in his Critical Introduction to Duruy's

"History of Greece." "They were saved the worry of all the more troublesome or degrading manual labor, and so the Athenian . . . was in a serious sense an aristocrat as well as a democrat. He belonged to a small minority ruling a far greater population."

And as Athens and Attica were, so was all Greece. Her people were not truly free. They were organized into democratic states, but each of those states was part bond and part free. Each was an imperial democracy, where, indeed, there was a free and equal citizenship, but where below that citizenship was a mass of slaves who labored the fields, conducted the manufacturing, and engaged in menial toil.

Aristotle, the master intellect of antiquity, relegated all manual labor to the slaves, whom he called "the living machines which a man possesses"; while the master moralist, Plato, in his disgust of the war of factions among the upper, or citizen class for control of the state and of the privilege-making powers, eschewed Agora, Senate, tribunals, laws, decrees, political parties and candidatures. As he says through the mouth of Socrates in the "Theætetus," and suggests elsewhere, he would have the state governed by "the lords of philosophy."

This was not democratic. It was the theocratic idea. It was the revolt against things that the moral philosopher's penetrating eyes saw about him: below, a multitude so degraded that they appeared beneath the estate of man; above them, the members of the ruling-citizen class grappling with each other for power and riches.

This ruling class, not content with dominance at home, sought dominion abroad. It conducted foreign wars and drew upon Greece's best blood to plant colonies and hold subject territories. Large revenues flowed from without into the coffers of private citizens, but all the while Greece grew weaker. Her slave and dependent population increased, while more and more of her free citizens, who in former days had carried her arms so gloriously against

the hosts of the Great King, became scattered to the four winds.

What booted all her civilization, all her enlightenment? Says Professor Mahaffy: —

> The fact remains that the highest education is not all-powerful in producing internal concord and external peace. There seems, as it were, a national strain exercised by a conquering and imperial democracy, which its members may sustain for a generation or two, but which cannot endure. The sweets of accumulated wealth and domestic comfort in a civilized and agreeable society become so delightful that the better classes will not sustain their energy. . . . There is a natural tendency in the cultivated classes to stand aside from politics, and allow the established laws to run in their now established grooves. Hence the field of politics is left to the poorer, needier, more discontented classes, who turn public life into a means of glory and gain, and set to work to disturb the state that they may satisfy their followers and obtain fuel to feed their own ambition. To such persons either a successful war upon neighbors, or an attack upon propertied classes at home, becomes a necessity. Even the Athenian democracy, when its funds were low and higher taxes were threatened, hailed with approval informations against rich citizens, in the hope that by confiscations of their property the treasury might be replenished.[1]

Of course, where the historian speaks of "classes" he means the factions among the citizens. He does not include the slaves, most of whom had been freemen taken in war and many of whom were white, like the Greeks themselves. And when he speaks of the "discontented classes" he means those elements among the citizens who did not enjoy all the privileges possessed by other citizens. The factions among the privileged class fought among themselves over privileges and the riches flowing from them. Even as early as the never-to-be-forgotten days of Salamis and Plataia, "rich citizens" were ready to sell the general freedom to the Great King for security of their "property" and peace to enjoy it. Like the privileged classes everywhere, they were guilty of a long line of treasonable acts against liberty, such as it was — that narrow

[1] Critical Introduction to Duruy's "History of Greece," p. 75.

class liberty which was the only kind of liberty Greece ever knew.

Through the perspective of time, and in light of her subsequent career, *we* can see how impossible it was for the Greek nation to hold its separate and independent station in the world. But could the Greeks themselves realize it in the time of their outward glory and fruitage?

Behold in the plains of Olympia the quadrennial games in honor of Zeus. Under the unclouded, transparent sky lies the great stadium, a ninth of a mile long, packed with a vast multitude of pilgrims from all the states of Greece and their colonies, and with travelers from distant parts of the outside world. Only free-born Greeks of unblemished name may enter the contests. Each state sends her fleetest, strongest, handsomest. Even now a roar of acclamation greets the six-horse chariot victor. The judge gravely awards the prize — not money, not lands, not even a fillet studded with gems. It is a simple wreath of wild olives to crown the victor's head and a palm branch to carry in his hand. Of all earthly trophies, these are highest. If the victor chances to be a son of Sparta, that state will decree him an additional and supreme honor — the post of greatest danger in her next war. The proudest Greeks struggle for the glory of transmitting to their remotest posterity trophies won in the Olympian games.

Stop a man, any one in the concourse pouring forth as the games cease for the day. Ask him if *he* thinks Greece can have but a short career of independence. He will, perhaps, stare at you for a moment, and pass on.

Turn and wander to the sacred grove — the grove inclosed by Hercules, containing, among the exquisite sacred buildings, the temple of Zeus, with its wondrous figure in gold and ivory from the hand of Phidias. Or go to the quiet spots where poets sing — and such poets! — or where historians relate the heroic exploits of the little states, or where, in small groups, are discussed the intricate, word-fencing systems of philosophy. Pluck this

one or another by the gown and, chatting in an easy strain, venture presently to observe that Greece at last may sink into the dust before freer peoples! What would such a one think of you? That you had taken leave of your senses. As well expect to witness the current of the Alpheios run toward its source or Mount Phellon cast itself into the sea, as the fall of incomparable Greece!

And yet, after having reached such heights of knowledge and wisdom and wealth and power, Greece, led by Athens, declined and fell. The reason is plain. The law of civilization is association in a condition of equality. It is not a man-made, but a natural law; and it is as inexorable as are the other laws of nature. A nation that disregards it courts death. It matters not how poor in material things a community shall remain or how rich it may become. Its units must be equals. As equals they will rise in concord from plane to plane. Each link of the chain will cling to each other link, and all will bear an equal strain. This is the law of human progress.

But when inequality arises in a community, community defects develop. The links change relatively in power. Some strengthen, some weaken. Discord mars harmony. Aristocracy and a mob supplant a general, enlightened and serene democracy. The state rushes to self-destruction or becomes an easy prey to conquerors from without.

The Greek people were part free and part slave. There was no general social harmony. Class hated class. The clay feet crumbled under the gold head. Soon, very soon, Greece was overborne by those whom she had scorned as barbarians. She bowed under the yoke of successive conquerors, and the glory of her civilization passed as a priceless heritage to other and freer peoples.

If peerless Greece fell, shall the American nation escape? We have public schools, the printing-press and manhood suffrage. We have far more democratic political institutions. Yet Francis Galton, the eminent anthropologist, avers that the average ability of the Athenian race was as

much superior to that of the Anglo-Saxon as is the latter's ability to that of the negro in Africa. If great intellectual advancement could not save socially unequal Greece, how can it save this Republic, with its widening social gulf?

Chattel slavery does not exist among us, but a widespread, extending and deepening industrial slavery does. For those who own the soil and the avenues of transportation and who order taxation are the masters in fact of those who have to submit to these things. The march of concentration is bringing these privileges into amazingly few hands, and the real, if indirect, slavery that this entails is more heartless than the old-time chattel slavery, because it operates through the bitter competition of the masses for opportunities of employment which Privilege controls.

So fearful are many that they will not be able to find other means of livelihood should they lose such as they have, that they are reduced to a pitiable and totally un-American state of dependence. They may in a sense be said to go with their employment, much as serfs went with the land they tilled. And in that sense they may be described in Aristotle's words, "The living machines which a man [the owner of a privilege] possesses."

Because we verbally subscribe to principles of democratic-republicanism we feel that we are and that we act as democratic-republicans. Yet the Greeks uttered principles not a whit less broad and deep. Witness the funeral oration attributed to Pericles: —

> The republican government is one that feels no jealousy or rivalry with the institutions of others. We have no wish to imitate them; we prefer to be an example to them. It is true that our constitution is a democracy, for it is framed in the interest of all, not of any privileged class. . . . But whilst ours is the law of perfect liberty to each citizen to live freely as it suits him, we are bound by loyalty to the common law which we reverence as the voice of the Republic. . . . To sum it all up together, we may boast that our commonwealth is the school of the civilized world. Each citizen of our Republic is endowed with the power in his own person of adapting himself to the most varied form of activity and life with consummate versatility and ease. This is no passing and idle word, but truth and fact; the

truth of which lies in the splendid position which our Republic now holds in the world to-day. There is a latent strength within us which ever rises above even all that our neighbors expect that we can show.

Controlling the getting of a living, the privileged class must control in all other respects. No matter how free and equal political institutions be, such social inequality inevitably converts the community into Plato's "hares and lions." In the ordinary run of political affairs we now have, as Professor Mahaffy said of conditions in Greece, a "small minority ruling a far greater population." Methods differ from those employed in Greece, but results must be practically the same.

And is there not here, as there was in Greece, a "tendency in the cultivated classes to stand aside from politics," meaning, to refuse to participate as equal citizens? How many of our very rich vote? Their influence too often tells through campaign contributions and the control of political machines. It is the rule of corruption. And those of the "cultured classes" who have a disgust for this kind of thing try to escape it by eschewing politics. More and more well-circumstanced American citizens are not exercising the right of suffrage. Partisan newspapers deplore its abandonment for golf, yachting or house-parties. Among those who thus shirk their duty are not a few who speak of manhood suffrage as being a failure; who describe Thomas Jefferson as an "impractical theorist" and the Declaration of Independence as false in asserting "equal" and "inalienable" rights. On the other hand, they are ready to condone in government any new step, however revolutionary, or the holding to any precedent, however reactionary, if such course will conserve "property."

Greece fell, not because of an absence of real democracy in her political organization, but because of social inequality. A community of social equals can easily and will quickly change what does not suit its needs. Greece

fell because socially she was, as Voltaire said of France anterior to the Revolution, "rotten before ripe." Some of her people were intellectually and materially lifted to high Olympus. The mass were plunged into the black waters of the river Styx. Privilege was the cause of these social disparities. It degraded politics at home, it made of the nation a "conquering and imperial democracy" abroad.

Is not Privilege working parallel transformations with us? Has it not degraded our politics at home? Is it not making of us a "conquering and imperial democracy" abroad?

Nor is it less disquieting to compare our results and tendencies with the conditions that accompanied the downfall of imperial Rome. Sallust, in his history of the Catiline political conspiracy just before the ascendency of Cæsar, compares the material simplicity and the moral grandeur of earlier Rome with the heaped wealth, the blood-stained plunder, the lavish show, the prodigal extravagance and the base public and private morals of his own time.

To see the difference between modern and ancient manners, one needs but take a view of the houses of particular citizens, both in town and country, all resembling in magnificence so many cities; and then behold the temples of the gods, built by our ancestors, the most religious of all men. But they thought of no other ornament for their temples than devotion; nor for their houses but glory; neither did they take anything from the conquered but the power of doing hurt. Whereas their descendants . . . have plundered from their allies, by the most flagrant injustice, whatever their brave ancestors left to their conquered enemies, as if the only use of power was to do wrong. It is needless to recount other things, which none but those who saw them will believe: as the leveling of mountains by private citizens, and even covering the sea itself with fine edifices. These men appear to me to have sported with their riches, since they lavish them in the most shameless manner, instead of enjoying them with honor. Nor were they less addicted to all manner of extravagant gratifications. Men and women laid aside all regard for chastity. To procure dainties for their tables sea and land were ransacked. They indulged in sleep before nature craved it; the returns of hunger

and thirst were anticipated with luxury, and cold and fatigue were never so much as felt. The Roman youth, after they had spent their fortunes, were prompted by such deprivations to commit all manner of enormities; for their minds, impregnated with evil habits and unable to resist their craving appetites, were violently bent on all manner of extravagances and all the means of supplying them.

Sallust wrote this before the Christian era began. It revealed the course of the nation down to the turbulent, surging time that brought forth the first and greatest Cæsar. It showed to what a pass Rome had come before she changed her republican toga for the purple and diadem of an emperor.

The testimony is the stronger because it was probably written before Sallust himself had bowed to avarice and injustice. In extenuation it might be said that he had no means to support him save his brains. Mere brains without special privilege were as nothing at that stage in Rome's history. Philosophers, poets, scientists, artists, architects and engineers were among the chattel slaves made so by war. Sallust was harried by poverty and allured by voluptuousness. Hope of remedial social and political change grew cold within him. He yielded to the fascinations of sensual delights. Becoming Governor of the African province of Numidia, he used extortion to heap together a huge fortune. On his return to Rome he built a villa on the Pincian Hill, whose luxury later made it the abode of Emperors. About that villa he laid out gardens whose beauty compelled the wonder and admiration of succeeding generations.

In effect Sallust said: To see the difference between present and earlier conditions one needs but to take a view of the houses of particular citizens both in town and country and compare them with the temples and fortunes of the Fathers of the Republic. Might not we of this nation make a like comparison with particular profit? Is it not a fact that some of our citizens live like crowned monarchs rather than equals in a democratic-republic?

Here, as in the Roman world, there has been a great concentration of wealth. Had the Romans expressed themselves in modern style, some one among them might have said, "The Gods in their infinite wisdom have given the wealth-producing and wealth-appropriating powers of this empire into the hands of devout men who will take care of every one else."

For such was the concentration of wealth in Julius Cæsar's time that of 450,000 citizens in Rome, 320,500 were living at public expense. And this took no note of the multitudes of freedmen and slaves beneath, who were not citizens. The tribune Phillipus left on record the statement that "there are but 2000 individuals in Rome who own anything."

What was the cause of this? Pliny summed it up in a phrase, "*Latifundia perdidere Italiam*," meaning, "The great estates have ruined Italy." Not only had the small ownerships been absorbed, but the great stretches of public domain had been seized by the nobles. "The powerful men of our time," complained Columella, "have estates so large that they cannot make the circuit of them in a day on horseback." An old Italian inscription shows that an aqueduct nine miles in length traversed the domains of only six proprietors. By the fourth century the evil of great estates had extended to the provinces; the *latifundia* had everywhere absorbed petty ownerships. Eleven men owned the Province of Africa and eighty-three the whole territory of Leontini in Sicily.

Thus the small landowners, the independent husbandmen who had formed the brawn and sinew of the legions in the early days of the Republic, were squeezed out of their holdings and forced to become renters. Rents were extortionate; and falling into arrears and becoming insolvent, these men became *coloni*, or serfs. In the words of the law, they were "slaves of the land." Or else, avoiding the crushing burdens of rent and taxes, these small farmers sought employment of the great estate owners in

degrading competition with the slaves whom Varro called "*instrumentum vocale*," meaning, "the talking kind of agricultural implements," and whom the great Greek, Aristotle, had called "the living machines which a man possesses."

Usury in a variety of forms was practiced by the landed class. The rate ranged from twenty per cent. upward, with imprisonment, slavery or death as the penalty of non-payment.

Nor was this all. A comparatively few had a complete monopoly of commerce. The exercise of the right of free commerce (*jus commercii*) was restricted to Roman citizens. The allies and subjugated nations were prohibited from commercial relations beyond their respective territories. This commercial monopoly brought superabundant riches to a small number of men, who, at first not nobles, bought vast estates and were quickly admitted to the noble class. One of these men boasted that he had more money than "three kings." Rabirius found no difficulty in lending on a sudden to a fugitive prince 100,000,000 sesterces (perhaps not above $4,500,000); and Didius Julianus gave what is variously estimated at from $12,000,000 to $18,000,000 to the Prætorian Guards in donatives to be made Emperor.

Are we not beginning to show some points of similarity with these things?

Mr. Andrew Carnegie, after donating $100,000,000 toward public library buildings and other purposes, probably has remaining more than twenty times the sum Julianus paid for the purple. The mere interest at four per cent. on Mr. John D. Rockefeller's reputed fortune would have paid for the purple two or three times over!

Eleven men owned the Province of Africa. Half-a-dozen men control and practically own the railroads and the coal and oil deposits of the State of West Virginia. Do we not commonly speak of this or that individual, or

this or that corporate combination, as owning such and such town, or county, or State?

"The great estates have ruined Italy." And shall the still greater estates — square mile after square mile of agricultural country, of timber region, or mineral resources and the large and augmenting holdings in towns and cities — make for the health and prosperity of this Republic?

The *ager publicus*, or Roman common lands, were for most part seized by the Roman nobles. Has not the last of what is available of our seemingly limitless public domain gone into the hands of large speculators and great corporations of one kind or another?

Heavy taxes, exorbitant rents and debts destroyed the small holdings and swelled the *latifundia* throughout the Roman Empire. Have not great loan companies in New York, Boston, Chicago and other cities plastered our Western country with mortgages, and are they not, through foreclosure, absorbing it?

Huge fortunes were rolled up for a few Roman citizens by the operation of the *jus commercii*. Does not our tariff law center trade and manufacturing in a few favored hands?

The $4,500,000 that Rabirius could at short notice lend would be held a small loan for some of our citizens like a Stillman, a Clarke, or a Ryan; while Mr. Morgan in the course of a dinner arranged the plans that within a few weeks resulted in the formation of the $1,400,000,000 Steel Trust.

Have we not palatial private residences that recall the gilded roofs, the colonnades, the baths, the statues of bronze mixed with gold and silver of the "Golden House" that once stood upon the Palatine Hill, where the Emperor Nero ruled in the very madness of pride — the Golden House wherein the beautiful Poppæa, with her wondrous garments of "woven air," charmed the masters of mankind?

Nor are we unlike the imperial Romans touching game preserves. They turned into solitudes for breeding and hunting extensive tracts where agriculture had decked the earth and population had nestled in happy hamlets. With all our wealth of unused land, hamlets and villages are being cleared from some parts of the Adirondack Mountains in upper New York State, and chosen spots west of the Mississippi are being divested of all habitations, save those of keepers, to make vast game preserves for foolish pride and restless desire.

If there are not here now, as there were in Rome, large fortunes founded upon conquest, we may see that parallel soon develop out of our centralizing movement and foreign aggression.

Our power of producing wealth is far greater than that which the ancients enjoyed. With that fair distribution that would occur through observance of equal rights, our people generally might and would live in comfort and harmony. But special privileges are preventing just distribution. While robbing the many, they are heaping into the hands of a few men, far, far larger private and corporate fortunes than the masters of the Roman world possessed. Certain it is that we have among us Princes of Privilege who wield a power over their fellow-citizens in some respects as imperious as had those ancient masters of civilization who discussed world politics in the Forum, argued philosophy in the porticoes of Octavia, loitered in the luxurious baths of Caracalla, sat in the man-killing theater of the Flavians, or reclined far into the night at Lucullan feasts, as about them fountains breathed forth perfumes, lutes played, poets sang, historians told of long-gone days, or garlanded girls glided in the dance.

To those belonging to the privileged classes of Rome the surface aspect of things must have been fair enough. "For," says Froude in his "Cæsar," "it was an age of material civilization; an age of civil liberty and intellectual culture; an age of pamphlets and epigrams, of salons

and dinner parties, of senatorial majorities and electoral corruption. The highest offices of state were open in theory to the meanest citizen; they were confined, in fact, to those who had the longest purses, or the most ready use of the tongue on popular platforms."

Does this not fit our own case after a short century and a quarter of national life?

The name of Mæcenas, the great minister of state under Augustus, is a synonym for patron of literature. He was the host and friend of wits and poets. By his encouragement and bounty Virgil and Horace, Propertius and Domitius Marsus flourished, to the delight of the contracted world of culture of their day. Mæcenas did this with riches flowing from privileges conferred upon him by the Emperor. He has in some respects an aftertype in the person of our compatriot, Mr. Andrew Carnegie, who, from privileges under our laws, draws a revenue that could outdo the Roman Mæcenas's munificence tenfold.

Perhaps most of us require a repetition of all outward conditions to realize a true historical parallel. We disregard the underlying principles. But no truth is more clearly printed on the pages of history than that social and political changes of great and lasting moment often occur without violent outward circumstance. The transition from a democratic-republican form of government to that of an imperium necessarily needs no dramatic *coup d'état* to be effective. The change that occurred in Rome was not so. Augustus made the transformation, but not as a revolutionist. It was as a conserver of the old institutions that were falling into disrepute. He directed the government ostensibly not as a self-raised autocrat, hostile to the laws. He protested that he desired not to destroy, but to preserve. He feigned to shrink from the responsibilities and burdens of state, and with outward reluctance consented to have various established powers conferred temporarily upon him, so that he

should be the embodiment of the law in its various functions. He contrived to be made Consul, Tribune, Censor, Pontifex Maximus, military Imperator and Dictator all at one time. These several powers did no violence to the old forms and they were centered in his person on the plea that he could thereby best bring "peace" and "order," and protect "rights" and "property." He frequently reminded the public that he accepted these responsibilities and labors but for a temporary season, and he once did actually abdicate. But those close trembled and the outside world stood spellbound until, with great show of sorrowful bowing to the call of duty, he resumed his powers. To the end of his long life he professed to defer to the Senate, whereas that body really cringed before the master of the legions. He professed always to be a servant of the Roman people, but that people had become careless or incapable of calling him to account.

It was the new order under the old forms. It introduced the Empire while pretending to preserve the Republic. And what followed was only what could be expected. The Empire rested not upon the will of a free people, but upon the swords of soldiers. The soldiers learned of the secret and took possession of their own. Telling of the murder of Galba and the acclamation of Otho as Emperor, Tacitus says: "Two common soldiers engaged to transfer the Empire of the Roman people and they did transfer it. . . . The walls and temples all around were thronged with spectators of this mournful sight. Yet not a voice was heard from the better class of people or even from the rabble." Later Vespasian came with the veterans from Palestine to overthrow the brief usurpation of Vitellius and to found the Flavian line. The fighting continued even into Rome itself. "The populace," observed Tacitus, "stood by and watched the combatants, and, as though it had been mimic combat, encouraged one party and then the other by their shouts and plaudits. Whenever either side gave way, they cried out that those

who concealed themselves in the shops or took refuge in any private house, should be dragged out and butchered, and they secured the larger share of the booty; for, while the soldiers were busy with bloodshed and massacre, the spoils fell to the crowd."

That crowd was composed mainly of Roman citizens and slaves. To what a depth had fallen that proud name! Roman citizens had become mere vultures of the battle-field!

It is not that the Romans did not have a good code of laws. Of all people of which we know they preëminently had the genius for law. They were lawgivers to succeeding nations.

Nor was it that they did not begin with good morals. They were essentially moral. They were at beginning, as Sallust says, "the most religious of all men." Froude says in his "Cæsar," "They built temples and offered sacrifices to the highest human excellences, to 'Valor,' to 'Truth,' to 'Good Faith,' to 'Modesty,' to 'Charity,' to 'Concord.'"

> In these qualities lay all that raised man above the animals with which he had so much in common. In them, therefore, were to be found the link which connected him with the divine nature, and moral qualities were regarded as divine influences which gave his life its meaning and its worth. The "Virtues" were elevated into beings to whom disobedience would be punished as a crime, and the superstitious fears which run so often into mischievous idolatries were enlisted with conscience in the direct service of right action. . . . Morality thus ingrained in the national character and grooved into action creates strength, as nothing else creates it. The difficulty of right conduct does not lie in knowing what it is right to do, but in doing it when known. Intellectual culture does not touch the conscience. It provides no motives to overcome the weakness of the will, and with wider knowledge it brings also new temptations. The sense of duty is present in each detail of life; the obligatory "must" which binds the will to the course which right principle has marked out for it produces a fiber like the fiber of the oak.[1]

[1] "Cæsar: a Sketch," Chap. II.

Yet in face of all this, public and private morality melted down to almost nothing in the furnace of passions awakened by the despoilment of the masses for the advantage of the few. "The ties of family life," says Mommsen, "became relaxed with fearful rapidity. The evil of grisettes and boy favorites spread like a pestilence, and, as matters stood, it was not possible to take any material steps in the way of legislation against it." Long before Cæsar's time, he tells us, marriage had become on both sides a matter of mercantile speculation.

> Celibacy and childlessness became more and more common, especially among the upper classes. While among these marriage had been for long regarded as a burden which people took upon them at the best in the public interest. . . . We encounter even in Cato's sentiments the maxim to which Polybius a century before traced the decay of Hellas, that it is the duty of a citizen to keep great wealth together, and therefore not to beget too many children. Where were the times when the designation "children-producer" (*proletarius*) had been an honor for the Roman?[1]

Marriage, once so sacred to the Roman, came to be almost the lightest of ties. Lecky, in his "History of European Morals," condenses the matter into a few lines: —

> We find Cicero repudiating his wife Terentia, because he desired a new dowry; Augustus compelling the husband of Livia to repudiate her when she was already pregnant, that he might marry her himself; Cato ceding his wife, with the consent of her father, to his friend Hortensius, and resuming her after his death; Mæcenas continually changing his wife; Sempronius Sophus repudiating his wife because she had once been to the public games without his knowledge; Paulus Æmilius taking the same step without assigning any reason, and defending himself by saying, "My shoes are new and well made, but no one knows where they pinch me."
>
> Nor did women show less alacrity in repudiating their husbands. Seneca denounced this evil with especial vehemence, declaring that divorce in Rome no longer brought with it any shame, and that there were women who reckoned their years rather by their husbands than by the consuls. Christians and Pagans echoed the same complaint.

[1] "The History of Rome," Book V, Chap. XI.

According to Tertullian, "divorce is the fruit of marriage." Martial speaks of a woman who had already arrived at her tenth husband; Juvenal, of a woman who had eight husbands in five years. But the most extraordinary recorded instance of this kind is related by St. Jerome, who assures us that there existed at Rome a wife who was married to her twenty-third husband, she herself being his twenty-first wife.[1]

Does all this not have a solemn lesson for us? We, as a nation, started with high moral public and private precepts, yet have we not merely to look about to see them broken down and flouted? What is the significance of our fine "bachelor" hotels and apartments? Is it not notorious that the very rich do not want the care and responsibility of children? Do we not hear it explained almost as a matter of course that many heirs would divide and dissipate estates? Therefore the aim is to have few heirs, so that the great estates shall hold together and augment. And marriage, venerated by our people of old, is being attacked by divorces of the "get-married-again-quick" order, and at a shocking rate of increase. Yet it cannot with justice be implied that even the "smart set" of our Princes of Privilege have come to the Roman pass in divorces. That may never come. We may turn to the old French, rather than follow the Roman example to its extreme.

To appreciate what this means, observe what Taine, in his "Ancient Régime," tells us: That under the old régime 270,000 persons constituted the privileged classes of France — the classes that sat upon the necks of the people, and at last caused the horrors of the Revolution. This was but little more than one per cent. of that nation's population, which at that time was approximately 26,000,000.[2]

Those privileged classes comprised the nobility and the clergy. They were the direct offspring of feudalism which

[1] Vol. II, Chap. V.
[2] "The Ancient Régime," Book I, Chap. II, Sec. I.

had its roots in the soil. A fifth of the territory of France at that time belonged to the crown and the communes, a fifth to the Third Estate or middle class, a fifth to the rural population, a fifth to the nobles and a fifth to the clergy. "Accordingly," remarks Taine, "if we deduct the public lands, the privileged own one half the kingdom" which "at the same time is the richest, for it comprises almost all the large and handsome buildings, the palaces, castles, convents and cathedrals, and almost all the valuable movable property, such as furniture, plate, objects of art, the accumulated masterpieces of centuries."[1]

Reduced to its lowest terms this means: that the privileged classes of France before the Revolution, constituting one per cent. of the population, owned one half the land, and almost all the important improvements and valuable movables.

Rousseau summed up the attitude of the privileged classes toward the rest of the population in these words, "I make an agreement with you wholly at your expense, and to my advantage, which I shall respect as long as I please, and which you shall respect as long as it pleases me." And as a result of this order of things, we have the court at Versailles. "It is said," remarks Taine, "that a hundred thousand roses are required to make an ounce of the unique perfume used by Persian kings; such is this drawing-room, the frail vial of crystal and gold containing the substance of a human vegetation. To fill it a great aristocracy had to be transplanted to a hothouse and become sterile in fruit and flowers, and then in the royal alembic, its pure sap is concentrated into a few drops of aroma. The price is excessive, but only at this price can the most delicate perfumes be manufactured."

How much this sounds like young Mr. Rockefeller's parable, that modern great fortunes are produced like the American Beauty rose — by nipping off most of the surrounding buds.

[1] Book I, Chap II, Sec. II.

The price is, indeed, excessive. Says Taine again, "Each largess of the monarch, considering the state of the taxes, is based on the privation of the peasants; the sovereign, through his clerks, taking bread from the poor to give coaches to the rich." From wanton heedlessness a quarter of the soil of France was, according to competent authority, lying waste. Listen to the testimony of the English traveler, Arthur Young, who journeyed through France, making notes even after the first mutterings of the Revolution had begun: —

Montauban-de-Bretagne, Sept. 5, 1788. — One third of what I have seen of this province seems uncultivated, and nearly all of it is in misery. What have kings, and ministers, and parliaments, and states to answer for their prejudices, seeing millions of hands that would be industrious, idle and starving, through the execrable maxims of despotism, or the equally detestable prejudices of a feudal nobility.

Nantes, Sept. 21, 1788. — *Mon dieu!* said I to myself, do all the wastes, the deserts, the heath, the ling, furze, broom and bog that I have passed for 300 miles lead to this spectacle? What a miracle, that all this splendor and wealth of the cities of France should be so unconnected with the country! There are no gentle transitions from ease to comfort, from comfort to wealth. You pass at once from beggary to profusion, from misery in mud cabins to Mademoiselle St. Hubert in splendid spectacles at 500 livres a night. . . . Maine and Anjou have the appearance of deserts.

Mar-le-Tour, July 13, 1789. — Walking up a long hill, to ease my mare, I was joined by a poor woman, who complained of the times, and that it was a sad country. Demanding her reasons, she said that her husband had but a morsel of land, one cow, and a poor little horse, yet they had a franchar (forty-two pounds) of wheat and three chickens to pay as quit-rent to one Seigneur; and four franchar of oats, one chicken, and one franc to pay to another, besides very heavy tailles and other taxes. She had seven children. . . . This woman, at no great distance, might be taken for sixty or seventy, her figure was so bent and her face so furrowed and hardened by labor; but she said she was only twenty-eight.

What could be expected of morals in the small but brilliant world of privilege in and about the French court? In some respects they were *nil*, at least as measured by the standards we have been taught to accept. The French

aristocrat and his wife were for all society rather than for each other. The woman to whom a man paid the least attention was his wife, and *vice versa.* Taine quotes M. de Bezenval, a contemporary of those times, who wrote:—

> If morals lost by this, society was infinitely the gainer. Having got rid of the annoyance and dullness caused by the husband's presence, the freedom was extreme. The coquetry, both of men and women, kept up social vivacity and daily provided piquant adventures.

And here is the parallel in our own conditions, as described by an ex-vicar of a fashionable Episcopal church, in New York:—

> We all know how difficult it is for a member of the smart set to strike out something truly original in one's whole mode of living, but here we have it. A young married couple of the smartest set are deeply in love; but at the request of the wife, upon their return from their summer villa, she is to have her own house and servants, carriages and stables, in fact, a complete and costly establishment of her own, in the very next street to that in which her husband lives, close to millionaires' row. This semi-detached couple will be frequent dinner guests at each other's tables.

What are we to suppose this means?

"Freedom, facilities, Monsieur l'Abbé: without these, life would be a desert." Such was the utterance of Cardinal Rohan to his secretary. It was in that order of things in France when the cassock took equal liberty and license with the robe. And what his Eminence, the Cardinal, meant by "freedom and facilities," we learn from a manuscript from which Taine quotes, describing how the Cardinal conducted a hunt on his estate at Saverne:—

> Six hundred peasants and keepers ranged in a line a league long from early in the morning and beat up the surrounding country, while hunters, men and women, are posted at their stations. "For fear that the ladies might be frightened if left alone by themselves, the men whom they hated least were always left with them," and as nobody was allowed to leave his post before the signal, "it was impossible to be surprised."[1]

[1] "The Ancient Régime," Book II, Chap. II, Sec. VI.

The one great, rigid law for this privileged class of old France was that appearances be sacredly respected. An uninformed stranger would detect nothing to excite suspicion. "Whatever indecency there may be," says Taine, "it is never expressed in words, the sense of propriety in language imposing itself not only on the outbursts of the passions, but again on the grossness of instincts." [1]

Will not the observant and thoughtful find much food for serious meditation in these things when taken in connection with facts and tendencies among us?

[1] Taine offers two typical anecdotes from manuscripts of the time (Book II, Chap. II, Sec. III):—

"A husband said to his wife, 'I allow you everybody outside of princes and lackeys.' He was true to the fact, these two bringing dishonor on account of the scandal attending them."

"On a wife being discovered by her husband, he simply exclaims: 'Madam, what imprudence! Suppose I was another man!'"

BOOK IX

THE REMEDY

To shake a city is easy even for the viler sort; but to restore it to its place is difficult, indeed.

— PINDAR.

The very idea of the power and the right of the people to establish Government, presupposes the duty of every individual to obey the established Government. All obstructions to the execution of the laws, all combinations and associations, under whatever plausible character, with the real design to direct, control, counteract or awe the regular deliberation and action of the constituted authorities, are destructive of this fundamental principle, and of fatal tendency.

— WASHINGTON: *Farewell Address.*

Ah! when shall all men's good
Be each man's rule, and universal peace
Lie like a shaft of light across the land,
And like a lane of beams athwart the sea,
Through all the circle of the golden year?

— TENNYSON: *The Golden Year.*

CHAPTER I

TO FREE NATURAL OPPORTUNITIES

WE have now seen at some length the nature of privilege in the United States, and its varied and deadly fruits — that the wonderfully great volume of wealth being produced in this country is being most unequally distributed; that this is due to the exercise of powers of appropriation possessed by some individuals, and conferred upon them by special or general grants of government or by government passively sanctioned; that these powers are privileges, and are, in effect, what the word "privileges" in its original sense meant, private laws — laws for the advantage of particular persons; that in consequence of these privileges, veritable princes of riches are being raised on the one side, while the masses are being held down to an intensifying struggle for a living on the other; that this is producing two distinct classes — the one imbued with feelings of superiority and arrogance, the other of envy and hatred; that as a further consequence, public and private morals are suffering, the superabundantly rich falling into monstrous business practices, private infidelities, divorce habits and irresponsibility for child-bearing, while the multitude of workers are being reduced to conditions breeding want, sin and crime, from which must come general physical, mental and moral deterioration. Proceeding, we have seen how, rising out of this state of things, the country is being divided into two great militant camps: that of the owners of privileges and that of the resisting working masses; that the latter, organizing trade unions

for defense, and then realizing the power coming to combination, have in specific cases passed from the defensive to the offensive with circumstances of tyranny and insolence; that to destroy trade unions, Privilege is abusing court orders and the military functions of Government; that in order to control Government, Privilege is corrupting politics; that in order to influence public opinion, it is reaching out for press, university and pulpit; that in order to extend its conquests and divert the popular mind with dreams of glory, it is directing foreign aggression.

All these results we have seen to follow a continuing unequal distribution of wealth, and this unequal distribution of wealth to be a fruit of the grants and passive sanctions of Government, called privileges.

Therefore in looking for a remedy or for remedies for this mass of great evils besetting the Republic, we must address ourselves to their causes — to privileges. What is the cure for privileges?

As was stated earlier (Book I, Chap. II), the privileges that concern us particularly are divisible into four grand classes or categories: —

I. Private ownership of natural opportunities;

II. Tariff and other taxation on production and on its fruits;

III. Special Government grants; and

IV. Grants under general laws and immunities in the courts.

Let us proceed to consider these in order.

I. Private Ownership of Natural Opportunities

This is the underlying ill of the Republic. Other forms of privilege at this time attract more attention, but none compare with it in baleful effect upon the nation. For, reduced to simple terms, it means that the land of the United States does not belong to all the people of the United States, but only to some. That some, owing

to the law of concentration, is diminishing in number, while the general population at the same time is increasing. The mass have to pay the comparatively few for the right to live on the soil of the United States, so that the aggregate of that payment is augmenting with multiplying population.

This state of things is not indispensable to high civilization. It is part of our civilization because we adopted it from other peoples. We might have adopted other land laws, or we might have originated laws. But it happens that we applied on this virgin continent the land laws that the Romans used when on their decline, and which succeeding European peoples, copying much that was bad with what was good of those institutions, adopted, thereby abandoning the principle of equal rights that existed in their own land laws.

And so this form of privilege was instituted among us not by a distinct and formal act, like the adoption of a constitution or the passage of a law. It came by absorption, with our language and other institutions from Europe. At first it did not appear in the light of a privilege, because few or none were deprived of opportunity of getting and owning land. But as the supply of free land gave out, and thousands and millions could not obtain any, and as the number of landowners is, not only relatively to the population but actually, lessening, the exclusive nature of the institution of private property in land appeared here. It concentrates land in few hands, precisely as if the land had originally been granted by special private acts, that is, by special acts of Government distributing all the land as particular gifts to individuals.

But because a bad institution exists, it does not follow that it should continue to exist. "There used to be cannibalism and human sacrifices," says Count Tolstoy; "there used to be religious prostitution and the murder of weak children and of girls; there used to be bloody revenge and the slaughter of whole populations, judicial tortures,

quarterings, burnings at the stake, the lash; and there have been, within our memory, spitzruthens,[1] and slavery, which have also disappeared. But if we have outlived these dreadful customs and institutions, this does not prove that there does not exist institutions and customs amongst us which have become as abhorrent to enlightened reason and conscience as those which have in their time been abolished, and have become for us only a dreadful remembrance." [2]

An institution which Tolstoy thinks has become "abhorrent to enlightened reason and conscience," is private property in land. He says: —

> The evil and injustice of private property in land have been pointed out a thousand years ago by the peasants and sages of old. Later progressive thinkers of Europe have been oftener and oftener pointing it out. With special clearness did the workers of the French Revolution do it. In latter days, owing to the increase of the population and the seizing by the rich of a great quantity of previously free land, also owing to general enlightenment and the spread of humanitarianism, this injustice has become so obvious that not only the progressive, but even the most average people cannot help seeing and feeling it. But men, especially those who profit by the advantages of landed property — the owners themselves, as well as those whose interests are connected with this institution — are so accustomed to this order of things, they have for so long profited by it, have so much depended upon it, that often they themselves do not see its injustice, and they use all possible means to conceal from themselves and others the truth which is disclosing itself more and more clearly, and to crush, extinguish and distort it, or, if these do not succeed, to hush it up.

Count Tolstoy here speaks of the world at large, but his words have peculiar application to us, for here private property in land is having more marked effect than perhaps anywhere else on the globe; since it is cramping and warping the growth of a great, strong, sanguine, virile, intelligent people. For as the English Professor Cairnes

[1] *Spitzruthens* — sticks used by soldiers when one of them was condemned to run the gantlet, a punishment which the victim often did not survive.

[2] "A Great Iniquity," *London Times*, Aug. 1, 1905.

says in words that may be adapted to the United States, "The large recent addition to the wealth of the country has gone neither to profits [interest] nor to wages, nor yet to the public at large, but to swell a fund ever growing even while its proprietors sleep — the rent-roll of the owners of the soil." [1]

What does that signify? What, indeed, when we consider that the rent-roll of the Astor family in New York — the yearly income from the land they own in that city — amounts to millions; while the total yearly ground value of the whole of Greater New York equals, perhaps exceeds, one hundred and fifty millions!

What would the anthracite coal mines of Pennsylvania bring to their owners yearly if they were leased to a new set of coal operators? Would not the sum be enormous?

What terms would the Standard Oil combination make for use of its wells alone, supposing it were willing to turn over the business of oil production to other hands? Would it not seem to one who had not thought about such things as if it were asking payment for the use of fountains spurting gold?

And so consider the country generally, its varieties and vast amounts of valuable land. All is yielding a revenue or rent. This ground or economic rent is in the aggregate prodigious in amount, and all but a small portion of it is going into *private pockets.*

But this conceded, what is to be done in remedy? How is the principle of equal rights to be reconciled with individual use of the land? If all have the same interest in the land, each has a different interest in the labor he puts into or upon the land — in his improvements. The dullest can see that to declare all land of common right would make chaos of the products of labor resting upon the land, since none would have a place upon which he might take an undisputed stand. All improvements in or on land would be in confusion.

[1] "Some Leading Principles of Political Economy Newly Stated."

Fixity of tenure, assurance of a permanence of holding, is necessary for the advancement of civilization. How continue that usage and at the same time destroy the evil principle of privilege in land — of private property in natural opportunities? Does this lead to a proposal that the Government resume title in all the land in the United States and then lease it out in lots or parcels to suit, and so obtain the economic rent?

No; nothing of the kind. There is no need to disturb present titles. Let present owners continue to call themselves owners, but let them be subject to a tax heavy enough to take the whole yearly value of the land, instead of the tax that now takes but an inconsiderable part of it. Leave the land in its present hands, but tax its entire annual value into the public treasury!

That would leave the shell and take the kernel of the nut. Individuals would go on using land as they pleased, *so long as they paid its full value*, as a tax, to the public. It would cause all the people to share in common what Professor Cairnes calls "the rent-roll of the owners of the soil."

Consider the volume of revenue from this one source in this country if *all* land having value, exclusive and regardless of improvements — all urban and suburban land, all agricultural land, all forest land, all land bearing minerals or oil or gas in its bosom, all grazing land, all land that would sell for anything on the open market — should turn that value over to the public tax gatherer! It is conservative to say that the revenue for municipal, State and Federal purposes[1] would far exceed the pres-

[1] A simple method of dividing the revenue raised by this single tax would be to have the municipality use part of the existing taxation machinery, collect the tax, and pay over to the state and Federal authorities the quotas apportioned for each. The income tax, several times levied by the Federal Government, was left to the States respectively to collect and turn over to the Federal Treasury, the amount from each State being apportioned, and the Federal Government making a liberal discount for the labor and expense saved it by the States.

ent needs of Government economically administered. It would therefore make unnecessary the multitude of compounding taxes now heavily burdening and galling production. The whole weight of Government — Federal, State and municipal — would thus rest, through this *single tax*, upon the rent of land: of land alone, regardless of improvements. This does not mean rent of land as it is commonly understood, for that means merely the income the owner receives, and much speculative land is leased at a nominal rate. What is meant is potential rent — the annual advantage that such land affords over the poorest land in use; what in political economy is called economic rent.

The proposal is very much like that which a group of great Frenchmen just before the Revolution in France proposed and called *l'impôt unique*, a tax which, on account of the results it would effect, Mirabeau, the father, who was one of this group of economists, pronounced the greatest discovery since that of printing.

A point to be accentuated is that this very tax now exists in rudimentary form in our present complicated fiscal system. A tax on land values is one of the multitude of taxes we now levy. But its size or rate is inconsiderable. What is proposed is to abolish the whole mass of taxes save this one small tax falling on land values, and to increase its amount or rate until it absorbs the entire potential or economic rent.

The landowner could not shift this tax, for, as John Stuart Mill has said: "A tax on rent falls wholly on the landlord. There is no means by which he can shift the burden upon any one else."[1] A cloud of authorities and common reason support this statement.

But why discriminate; why make land values the sole resting-place of taxes? Because, for one reason, land values are not produced by landowners, but by the public;

[1] "Principles of Political Economy," Book V, Chap. III, Sec. 2.

by social growth and social improvement. John Stuart Mill most wisely says, "It is not the fortunes which are earned, but those which are unearned, that it is for the public good to place under limitation."[1] What he means by that may be judged from a further statement: "When the 'sacredness of property' is talked of, it should always be remembered that any such sacredness does not belong in the same degree to landed property. No man made the land. It is the original inheritance of the whole species. Its appropriation is wholly a question of general expediency. When private property in land is not expedient, it is unjust."[2]

In a word, this single tax conforms more nearly than any other kind of tax does to what Adam Smith calls the "four maxims" of taxation, which maxims or conditions my father has compactly set down as follows: —

1. That it bear as lightly as possible upon production — so as least to check the increase of the general fund from which taxes must be paid and the community maintained.
2. That it be easily and cheaply collected, and fall as directly as may be upon the ultimate payers — so as to take from the people as little as possible in addition to what it yields the Government.
3. That it be certain — so as to give the least opportunity for tyranny or corruption on the part of officials, and the least temptation to law-breaking and evasion on the part of the taxpayers.
4. That it bear equally — so as to give no citizen an advantage, as compared with others.[3]

That this single, land value tax would most nearly meet these requirements is important, indeed.

It is also important that in going to a natural fund for the defraying of the expenses of Government, all taxes upon production might be remitted. A legion of taxes that now embarrass general production, but which Privilege turns to advantage, would be wiped out. Among them would be the tariff. We shall go into this in con-

[1] Book V, Chap. II, Sec. 3.
[2] Book II, Chap. II, Sec. 6.
[3] "Progress and Poverty," Book VIII, Chap. III.

sidering the second class of privileges. It is mentioned here only to show its relation to the application of the land value tax.

But all this question of revenue from land values belongs to but one phase of the matter of natural opportunities. Important as it is, a still more radical and far-reaching effect of taxing land values to their full would be to throw open great natural bounties now locked up against use. Such a tax would break "corners" in natural opportunities.

Take an instance: The hard coal combination in Pennsylvania, generally termed the Anthracite Coal Trust, owns, holds by lease, or otherwise controls practically all the available anthracite coal in that State, and there is nowhere in the world another deposit of quality approaching it. The managers of this trust therefore control the world supply. Whoever wants to buy anthracite coal, at least of that quality, must go to them. Their policy is not low prices and large sales, which rules where there is competition. They take the opposite course: the highest possible prices and comparatively small sales. They do not desire large output of the mines; they deliberately restrict that output. Many times as much coal land within their possession is kept locked up and idle as is worked; and on that which is worked, the men are rarely busy full time. Much coal land has been purchased with the predetermination of preventing any one from mining it at this time; and much land that could be obtained only by lease was leased in order to prevent coal from being brought forth to increase the market supply, even though to shut off that coal the trust had to pay to the owners of such leased land stated sums in lieu of royalty it would have had to pay had it taken coal out of the ground. The trust, by thus controlling the market supply of anthracite coal, could fix so high a price to the public as to leave a large profit to it after allowing for the expenditure on locked-up lands.

And while the trust thus puts up the price of coal to the public by limiting the amount mined, it at the same time tends to keep mine workers in subjection, since the limitation of output which raises the price to the public also reduces to a minimum available opportunities for employment. Thus by a policy of restricting the working of coal land, both the public and the mine workers are robbed, the one through high prices for coal, the others through low wages for their labor.

But how can the trust afford to keep valuable coal land idle? Is not such land taxed? Yes, but only nominally. Much of the finest hard coal land of Pennsylvania is taxed merely as farming land, and poor farming land at that. Probably a large proportion of those mine workers who are fortunate enough to own a little patch of ground and a little home on it have to pay more taxes relatively than the great corporations adjoining pay on land kept idle, the mineral from which would bring a great price. So low is assessment of such mineral land for taxation purposes that it bears comparatively no tax at all. The trust can find a handsome profit in buying or leasing all such land, paying the inconsiderable tax, and then withholding that land from competition with coal land that is being worked.

But what would happen if the tax falling on this land were not very light, but very heavy? The value of such land can be and is determined easily enough when it comes to a sale or a lease. What if the tax were laid on such a valuation — a tax that should take the whole potential or economic rent of such land? Would the land then remain locked up? Would it stay idle? Would not the fine for idleness be too heavy to bear? Would not the trust set immediately to using all its available land, or to getting rid of such land as it could not use? And would not such discarded land — good coal land that the trust could not use and therefore would not care to pay taxes on — be immediately taken up by others

and worked? Are there not plenty of men about with requisite knowledge and means who would jump at a chance to sink shafts and drive tunnels into this idle coal land?

A tax taking for public use all the economic rent of the hard coal lands — lands unworked as well as lands worked — would destroy the Anthracite Coal Trust. The latter's policy then would be, not to make profit by cornering land and limiting output of coal, but in holding only such land as it could work and working that land to the limit. The principle of monopoly would be destroyed, that of competition set up in its place. The coal operators would then look for their profits, not in restricted sales at high prices, but in extended sales at low prices. The robbery of the public and mine workers through high prices and low wages would cease. The market charge for coal would be low, while such would be the demand for laborers in the mines that wages would obviously advance materially over present rates.

If this heavy land value tax would smash the hard coal trust in eastern Pennsylvania, it would operate in precisely the same way against the soft coal combination in western Pennsylvania, and against the bituminous combinations, in Ohio, West Virginia, Indiana, Illinois and all the other coal States. We all would use more coal if it were to be had more cheaply. Cheaper fuel would be a boon to countless manufacturing activities. It would be a distinct gain to civilization. We could have it if we would. Tens upon scores of millions of tons of fine, accessible, easily workable coal lies waiting to be brought forth from the bosom of our soil. But a few men stand guard and say: "No; we choose that fuel should not be cheap. We care nothing about public needs, about activities in production, about civilization, if it depends upon our coal being sold cheaply. We are after the highest price that we can get for our property, and you cannot prevent us because the law says the source of coal supply

is ours. We propose to keep down the output so as to raise the price to the maximum. Our motto is: 'Kill competition among coal producers and exact the limit from coal consumers.'"

And what can Government Commissions and Government regulation do against this? Certainly nothing for the public in lower prices, while it would add to general demoralization by swelling the number of public officials to be bought or otherwise corrupted by the trust.

But a tax would bring the trust to its knees. A tax that would take from the coal landowners the full economic value of their lands — that would cause them to pay just as much into the public treasury on lands lying idle as if those lands were being put to their highest use — would hush all such brave speeches as "Kill competition among coal producers and exact the limit from coal consumers." The only purpose then in owning or controlling land would be to use it, and to use it to its highest capacity, since none but a fool would care to pay so dear to hold land idle. If the trust tried to retain its monopoly of deposits and recoup itself for the increased tax, it could get no more than it is exacting now. For all things considered, its charge now is the limit, and to demand more would force the public to lessen its use of coal, either by turning to other kinds of fuel or by doing with less artificial heat — probably both. Hence the great coal fields of the country would be flung open and coal would pour forth, which would benefit our whole people with its abundance and cheapness, from the mill owner, who uses a carload a day, to the New York tenement dweller, who buys by the pailful; while it would make such a great and permanent demand for labor in the coal fields as to send up wages and keep them up. This would do much to cause mine workers to forget the need of unions, strikes and boycotts, and even the spirit that now belongs to the bitter struggle for a living and the conditions of passive industrial warfare.

There is truth in the common saying that "most of the trusts have their roots in the soil." Tax that soil, and you get them from the roots up. Apply such a tax to the Steel Trust, to the Oil Trust, to the Lumber Trust, to the Salt Trust, to the Borax Trust, to the hundred and one great industrial combinations, and they will go to pieces in the same fashion as the Coal Trust would. Transportation and tariff privileges, which later will be considered, enter into some of these trusts; but the monopolies of the storehouses of nature, of natural opportunities, are privileges without which such trusts could not exist. Possessing them untaxed or practically untaxed, the trusts can laugh at all steps to "regulate" and "moralize" them. They are like men having legal possession of an oasis in a desert. Caravans that come that way must pay the owners' price for water and resting accommodation, or proceed on their way without stopping.

This clearly is true of the Steel Trust. The Carnegie Company became the backbone of the trust, and Mr. Carnegie early in his steel-making career secured coal, iron and lime fields. Did not Mr. Schwab, as president of the United States Steel Corporation (the trust), testify before the Industrial Commission at Washington that his company could carry its huge stock inflation because it had a monopoly of the Connelsville coal fields in western Pennsylvania, this coal making the best coke in the world for steel production? Did he not further tell the Commission that his corporation possessed a very large interest in the best quality of steel-making ore in the Northwest, and did he not intimate that it hoped soon to have a practical monopoly of that great deposit? Is it not an additional fact that the Steel Corporation is quietly buying up steel company after steel company, not for their plants, since it already has more than enough to supply its business needs, but to secure the natural resources possessed by each of these concerns? If the United States Steel Corporation can succeed in acquiring all the easily ac-

cessible, good-quality ore and coking-coal lands in this country, it can laugh at competition within our borders — that is, if its lands shall go practically untaxed, as now. But apply heavy taxation to the real value of its land, and the Steel Trust would collapse like a house of cards. It could no longer play dog in the manger with mineral land it could not itself use in fifty years. Nature's raw materials for steel manufacturing would be thrown open to users, and competitors would spring up on every hand — competitors whose only hope could lie, not in monopoly prices, but in "low prices and quick sales."

The public appropriation, through taxation, of the full economic rent would have a similar effect upon every trust or combination based upon a monopoly of natural opportunities, and most of them are so based. It would not lop off a little of the foliage here or there, which is the best that "regulation" of the trusts could do; it would strike at the roots.

And the tax that would go so vitally home to the trusts — to the monopolizers of the vast unused mineral, agricultural, timber and grazing resources of the country — would fall with a killing hand upon land speculation in and about every city and town and village in the United States. It is probable that not a third of the available area of the city of Greater New York is in use; and this is more or less the condition in all our communities. The rise in value of urban land is so active that there is a general desire to obtain some of it so as to participate in this increase. This causes a great many people to regard land, not for its *present use*, but for its *future value* — the increased price that growing needs of population will cause to be paid for it. And because this increased value is in expectancy, the owners of land will not part with it except they get some share of that benefit.

Every community must pay rent on the land it uses based upon what that land will be worth some time in the future. It makes an artificial scarcity of the land, inso-

much as it puts a speculative or artificial value on it. And every betterment that occurs in the community, making it a more desirable locality for men to be in, adds to the value of land, as any who will may see when a street is paved, a new transportation line put through, or a public park opened. The speculator does nothing but wait. He waits for population to increase the demand for his land.

Now the mere talk of taxing land values checks speculation, and a tax based upon the selling value of urban land — a tax that would take the whole rental value, as based upon that selling price — would cause such speculation to turn into thin air and vanish.

For where would be the fruit of speculation if taxation absorbed the *whole value*, whether that value advanced or receded? The future would hold out no hope to speculation, and so land in and about urban centers would be held, not for a "rise," but for present use. And no one would keep land who could not use it, since the tax penalty would be too great.

Hence the price of land there would be based upon its use value — its value in production, not its value in speculation. The price of land would shrink to this value in use; that is to say, urban land would be cheaper, much cheaper, than it is now. Obviously this would be a great benefit to all the users of land, and everybody in the city, town or village uses it, some more, some less. To cheapen land would benefit the storekeeper, the factory and mill owner, the banker, the professional man, the clerk, the mechanic, the seamstress — all the inhabitants of the community except the land speculator, who would lose; yet he, too, would be a gainer to the extent that he would live in a community so much more prosperous.

In other words, taxing economic rent into the public treasury would destroy monopoly of natural opportunities in the urban centers just as it would destroy land monopoly elsewhere. The land that Nature offers for

building sites would be thrown open for such use, instead of being fenced in and marked, "Reserved for future use." Labor and capital would have to pay less for the use of this land, and every channel of production in these centers would receive a great and permanent stimulation.

CHAPTER II

TO STOP TAXATION EVILS, GRANTS AND IMMUNITIES

In the chapter preceding it has been remarked that were we to tax land values to their full, the Steel Trust, which is withholding from use great quantities of most valuable mineral land, would be unable to sustain the heavy burden of the tax and would collapse like a house of cards.

But besides the great privileges of natural opportunities, the Steel Trust enjoys other important forms of privilege, — special relations with transportation lines, which help it against competitors within our borders, and heavy tariff duties against steel imports, which shelter it from foreign competition. The second of these two forms of Government favor we may now consider.

II. Tariff and Other Taxation on Production and its Fruits

Every consideration for the public weal requires that the tariff should be repealed from beginning to end. The men who are looked upon as the fathers of the protective idea in the Republic never dreamed of the monster that has sprung from the loins of this policy. They regarded the tariff first of all as a means of obtaining revenue. They referred to its protective principle as incidental. But under various pleas and chiefly of recent years, when Privilege has become so potent in politics, about which the mass of the people, engrossed in the struggle for a living, have at the same time been so con-

fused and neglectful, the tariff rates have been raised approximately to twenty-eight per cent. of the value of all the imports into this country and close to fifty per cent. of the value of the imports on the dutiable list.

For generations the plea was for protection of infant industries. Exhibit A in our infant industry line is the Leviathan trust, the United States Steel Corporation. With wide command of natural opportunities and transportation advantages, and the lion's share of the home steel trade, and with serious competition from abroad shut out by the tariff wall, this huge concern has only to consult with a few of its larger rivals to establish a mean high price throughout the United States for its products. Yet in truth, so capable is the trade of being conducted here without any Government helps or advantages of any kind, that the United States Steel Corporation is developing a great export trade to various parts of the world in free and open competition.

This has no reference to the working off on foreigners of "surplus domestic stocks," by "job lots," as it were. Such transactions, although much talked of, are probably insignificant. But what is very large, important and permanent is the growing export trade in which highly protected manufacturing establishments in this country engage. They circulate in foreign countries price-lists intended to undercut the prices of foreigners, where quality, quantity and other essential elements are equal. Americans going abroad are amazed and chagrined, if they are not hardened to it, to find offered for sale in European cities staple American manufactures, like tools and machines, at prices very much below those asked at home.[1] Export price-lists issued by our manufacturers

[1] On lower Broadway, New York, is a jeweler who has bought abroad thousands of Waltham and Elgin American-made watches at such low figures that he finds profit in selling them here at a retail price far below the wholesale prices at which similar watches are sold by the manufacturers in this country.

are rarely to be seen here. They are, in fact, as difficult to procure in this country, if publicity here is suspected, as it is nowadays to find the eggs or the nestlings of the phœnix.

The purpose of our tariff-nurtured trust infants is to battle with the foreign manufacturer for foreign markets, but to keep this market as a private preserve!

Even the Coal Trust has to have its protection against foreign coal, and the Standard Oil Company against foreign oil! With all its boldness, however, the latter monopoly has not had the temerity to have oil put on the dutiable list. It reaches that result by indirection. In the general matter of the law there is a clause that requires the imposition on imported oil of a duty equal to that imposed on oil by the country of shipment. As the only country besides the United States having oil to export is Russia, and since Russia has an oil duty, this clause in our tariff act is leveled against the Russian natural bounty. But for those few words, Russian petroleum would either be competing with Standard oil for consumers in this country, or else it would compel the latter to sell at much below present figures to hold our market.

Nor does the tariff protect the wages of American workmen. It protects nothing but Privilege, which is doing its utmost to break down labor unions and reduce wages to the minimum at which laborers can continue to engage in production.

Therefore all future tariff grants by Government should cease and present grants be revoked.

And while it is thus clear that tariff taxation results to the advantage of the few and the disadvantage of the many, it also is certain that all other taxes imposed on production have precisely the same effect. This was illustrated when the Match Trust, following the Civil War, opposed the removal of the internal revenue stamp tax. The existence of the tax made necessary a larger capital to engage in the manufacturing of matches than would

be required without it. The less capital needed, the more competitors. Hence the match combine favored the tax, knowing full well that, while relieved of competitors, it really would not have to bear the tax in the end, for, competition being reduced, the amount of the tax could be added to the price of the matches and the consumer be made to pay both. In a similar way the manufacturing chemists not protected by patents and trade-marks have long opposed the reduction of our exorbitant internal alcohol tax, realizing that its repeal would lower the price of alcohol and stimulate competition in lines that they had to themselves.

This curious appearance of desire to be taxed may also be seen in a thousand directions where the tax is not a Federal and specific tax, but local or State and general in its nature. It is thus with capital invested in the buildings, furniture, machinery, tools and other equipment of large manufacturing concerns troubled with competitors. Observation tells the owners or managers of such establishments that if the taxes falling upon the part of real estate called improvements are irksome to them, they are calculated to be oppressive to their small rivals for two reasons: first, that the tax adds to the amount of capital needed in the business; and second, that the small concern has less opportunity than the large one to evade collection of its full share of the tax. Of course where a monopoly becomes established from some other cause — like a patent medicine, which sells on its name — taxation is unnecessary to embarrass rivals. It has no rivals and the tax can only embarrass the monopoly itself. But these cases are comparatively few, and they are exceptional to the general cases of production we are considering where the field is open to competition. In that field all kinds of general taxes upon production operate in the end to the benefit of the great producers, because it is more than proportionately hurtful to the small ones.

General taxes, therefore, tend to promote and strengthen

Privilege, not to mention the stimulus it gives to perjury and other immorality.

And since land values are publicly made values and should be, unless the public is to be robbed of its due, fully covered into the public treasury, and since these values constitute a fund ample to meet all the reasonable needs of local, State and Federal Governments, neither any kind of tariff tax nor internal tax falling upon industry or the fruits of industry would be necessary for purposes of revenue. So that all plea that these taxes are necessary to supply revenue breaks down.

From this it follows that all tariff taxes and all other taxes falling upon production or its fruits — all of which taxes now constitute a very important element of privilege — should be revoked.

Let us pass to the third class of privileges.

III. Special Government Grants

Observe transportation. It will be remembered that before he became an iron and steel master, Mr. Carnegie was a railroad man. He was the western superintendent of the Pennsylvania Railroad, stationed at Pittsburg, a city established at the junction of the Allegheny and Monongahela rivers, in the heart of the iron ore, soft coal and natural gas belt. At this period the Standard Oil Company was commencing its notorious career through the use of the railroad rebate. That insidious form of favor had not as yet so proved its deadly power as to arouse general and bitter resentment and cause the making of express laws to prohibit it. But that proof came soon. For the rebate principle was simply for favored users to receive back secretly from the railroad part of the payment openly made on shipments under the regular published schedule of rates — the rates charged to all rival shippers.

Mr. Carnegie was not unfamiliar with the workings of

the rebate principle, and it is scarcely probable that he and the highest officials of the Pennsylvania Road did not avail themselves of it when, organized as an outside group, they jointly went into iron and steel bridge and rail making with large and successive contracts from the Pennsylvania, Fort Wayne and other roads. If the various Carnegie iron and steel companies did not have the advantage of the rebate after it had been prohibited by law, yet they did have a similar advantage — a discriminating rate. For, owing to the stimulus of special contracts for products and rebates on the shipping of the latter, together with the natural energy and abilities of Mr. Carnegie and the men associated with him, the Carnegie plants in the development of the trade rapidly grew into great establishments. They became the larger when the policy was commenced of acquiring all the best quality and most conveniently placed natural materials. With an immense output from his furnaces and mills at his disposal, Mr. Carnegie could demand in lieu of rebates, special rates from the railroads, on the ground that he was a bigger shipper than other steel makers. Even to this day the railroad managements do not hesitate to say that they should make a lower rate to the large than to the small shipper.

Ultimately the Carnegie amalgamation acquired or built short, connecting railroads. One of these runs between Pittsburg and Lake Erie. In conjunction with it a fleet of boats is operated for the carriage of ore and products. The United States Steel Corporation, which absorbed the Carnegie combination, now possesses these roads and boats and other roads and boats besides, joining the steel plants with the several important railroad systems.

In these circumstances it is idle to suppose that the railroads do not offer an important advantage to the Steel Trust, as against the smaller steel manufacturing shipper.

And the Steel Trust is but a type of the favored ones.

We have seen how the Standard Oil Company, starting with secret railroad contracts for big rebates in consideration of large guaranteed shipments of oil, had merely to arrange to supply refined oil to the distributing centers in great quantities at low prices to destroy its rival refiners. Having killed or absorbed competing refineries, and thus obtained control of the refining of oil, the Standard then proceeded to discriminate against, to bully, or to cajole oil well owners, until it acquired a vast source of supply. Controlling this source, and the refining, it was then possible, using the railroad rates as an additional club, to embarrass the pipe lines and soon to absorb them. Then possessing the oil lands — or at least the most convenient of them — the refineries and the pipe lines, the Standard successfully demanded larger rebates or discriminations from first one railroad and then another, the penalty of refusal being reduction of the great Standard shipments. The enormous profits obtained in this way enabled the Standard-Rockefeller group to enter the railroad world as large stockholders, bond owners, directors, controllers and manipulators, and from the railroad to enter the banking, the stock-speculating and the stock-juggling worlds, and also a considerable number of industrial lines.

See what the railroads have done for the Meat Trust. They have given special rates and special despatch to lines of stock and refrigerator cars owned by a combination of great meat packers, whose headquarters are in Chicago and Kansas City. As a consequence, not only have these packers been able to undersell and destroy general competitors, but, because they have had no rivals, they have further been able to put down the prices they would pay ranchmen for stock on the hoof; while, on the other hand, they have, owing to their great control of the general supply, put up prices to the consumer of dressed meat. Indeed, they have been able in a multitude of instances to destroy local rivalry by refusing to supply with their

products retail butchers who dealt in similar products from any other source.

Growing out of this, we have seen the scandals that have come to light in the carriage of fruit — how the Meat Trust, with the knowledge and help of the Santa Fé and the Southern Pacific railroads, dictated terms and took control of the very important southern California fruit-carrying trade. The Meat Trust's refrigerator cars had advantage over all others, indeed, practically monopolizing that kind of traffic.

Every one with the least experience in railroad affairs knows that the railroads, as they are operated, work for the overwhelming advantage of certain great shippers, just as if certain city merchants with much trucking to do should have a monopoly of horse-drawn vehicles, while their competitors were unable to get anything save man-pushed wheelbarrows.

Besides this discrimination which works such a hardship against general industrial and commercial businesses and to the advantage of an inside favored few, the railroads bear with great weight and manifest inconvenience upon the multitude of travelers. The policy is not to give the maximum of accommodation at the minimum of charge, but the reverse — the minimum of accommodation at the maximum charge. Instead of being capacious, convenient public highways, compatible with advancing civilization, they are of the nature of old-fashioned toll-roads, where gates swung open only on the payment of high charges, regardless of the condition of the roadways.

The question is, How shall the railroad service be divorced from these evils?

Surely not by the appointment of courts or commissions to fix rates or otherwise radically interfere with their management, if the ownership and control of these railroads are to remain in private hands. Either the people as a whole must assume ownership and management of these public steel highways, as they have of the other highways,

or else they must let private ownership and management alone.

Experience shows that all public partnerships with private monopolies are signally detrimental to public interest. Everybody's interest becomes nobody's interest, while the private interest is always alive and active, turning all things to its own profit. The establishing of regulating courts and commissions is only to set up instruments to be used by the railroad companies against the public, for the railroads will devote themselves with keenness and assiduity to the business of electing, having appointed, buying, or otherwise controlling the judges and commissioners. The recent exhibition of a New York State Railroad Commissioner who desired reappointment should be a warning. He presented to the Governor a petition signed by the presidents or other high officials of the largest railroad companies in the State, and of bankers and speculators dealing in railroad corporation securities! How could such a man adjust railroad fares or look to the convenience of the public, save as his patrons, the railroads, should approve?

Therefore railroads and all other forms of public highway, where free competition cannot be maintained, should not be in private, but in public hands. And this applies to local as well as to inter-community and inter-State roads. It further applies to pipe lines and tunnel lines and wire lines of whatever kind used in the service of the public.

A broad principle to be laid down is that all natural monopolies — enterprises which are indispensable to civilization, but which are not open to general and permanent competition, and which of necessity must center in few hands — should be publicly owned and controlled. Any departure from this principle can only be on the ground of expediency, which is invariably weak and dangerous.

If it be said that the people are not to be trusted with functions so vital to complex civilized life, then it is also

to be said that they are not to be trusted with self-government. Of course, if they undertake to conduct railroads, they must be watchful of their public servants. This is only the same as saying that if they venture on self-government they must be vigilant to govern, and not to be governed.

But it is always to be remembered that with the removal of the railroads and other public highways from private ownership and control, a great, confusing, corrupting element in the general politics in America will be removed. The considerable addition to the civil servants that public operation will bring, will, in its detrimental effect on politics, be as nothing against the influence of a few railroad princes, who now, gathering around a table in a private office, and discussing political situations, actual and desirable, can sign checks for ten, fifty, a hundred thousand, or even, if need be, for a million dollars for "campaign expenses."

Therefore all direct Government grants to public service corporations or to individuals having public service in view should at once stop; and all such grants hitherto made should be revoked or taken over into public hands.

This brings us to a consideration of the fourth category of Privilege.

IV. Grants under General Laws and Immunities in the Courts

By grants under general laws is meant particularly grants of corporate power under general incorporation laws. When we look at some of its fruits, we may well ask if it is not altogether wrong to create artificial persons, called corporations, since they too often act after the manner of the Frankenstein monster. But concluding that such persons are not only proper, but necessary to our civilized needs, just as are explosives, we ask where shall be the limitations? Shall we revert to the general usage

in this country down to about 1840 and have every incorporation formed by a special legislative act? If not, where shall we stop short of the present Incorporation Act of New Jersey, which, in the words of United States Assistant Attorney-General Beck, grants to persons acting under it, powers "infinite in scope, perpetual in character, vested in the hands of a few, with methods secret even to stockholders" — an incorporation law that permitted the organization of the gigantic United States Steel Corporation inflation and of that "artistic swindle," as the receiver afterward characterized the United States Shipbuilding Company? Where are we to draw the line?

Preliminary to answering this, it should be noted that both the steel and shipbuilding companies were based upon privileges. The Steel Trust had, according to Mr. Schwab's estimate, in testimony before the Industrial Commission, natural resources worth at least $800,000,000, with transportation facilities and tariff advantages besides. The Shipbuilding Company, through contracts with the parent or some of the constituent companies, shared the Steel Trust's advantages, besides expecting a special great privilege of its own in the form of government contracts for ships. That is to say, the steel and shipbuilding companies were incorporated to exploit privileges otherwise emanating from Government — one form of privilege used to manipulate other forms of privilege.

Examination will show a similar state of things wherever corporations call for common censure. Their incorporating powers are not in themselves the evils that are censurable, but the use of those powers combined with other powers — all of which are legalized by Government.

Look, for example, into the life insurance corporations from which have recently come such sensational revelations. It may be questioned whether it would not be wise and proper to join a life insurance feature with that of a savings bank, and both to the post office service. A savings bank and a limited insurance on the mails are

features of the post office system in some of the European countries, with very salutary results. Surely the savings principle should operate no less well here, and probably life insurance could go with it beneficially to the public. Certain it is that the Federal Government frequently needs considerable quantities of cash, which both a postal savings bank and a postal insurance division would supply.

But this question aside, and assuming that life insurance should be conducted by corporations in private hands, is a repetition of the great scandals of the Equitable, New York and Mutual companies to be avoided? First of all, what are the scandals? Excessive premiums, gross salaries, wild extravagances and a deliberate purpose to withhold dividends from policy holders—are one class of them. But these are really induced or stimulated by another kind, namely, the use of the great funds of these companies in stock and bond gambling and promoting, mostly for the gain, not of the respective companies, but of their officers, boards of directors and inside syndicate cliques. What is the nature of the stocks and bonds so dealt in? They are the issues of railroad companies, of industrial trusts, or other incorporations around one or several forms of Government favor. It is a case simply of the insurance corporation managers, mainly for their own advantage, exploiting other corporations possessing privileges.

If then the privilege of land monopoly be destroyed by the process of taxation, if the privilege of highway monopoly be transferred to public hands, if tariff and other taxation privileges be wiped out, what important privilege would remain for exploitation through incorporation?

The only possible use to which an artificial person, or corporation, could be put would be that of engaging in the production of wealth where there was an open and free field, where no one had any favor. What matter then if a corporation be organized "infinite in scope, perpetual in character, vested in the hands of a few, with methods

secret even to stockholders"? Indeed, it is probable that in such a state of things, where none had favor, but where all depended on character, the character of such a corporation would be so out of keeping with the openness and fairness of industrial and commercial and banking pursuits as to raise suspicion and prove a disadvantage. The privileges which now attract then being gone, the company so incorporated would appear to be badly handicapped.

Whether or not this would be the popular attitude, it is clear that with other privileges now emanating from Government destroyed or withdrawn from private hands, the task of contracting the limits of the statutes for incorporation would be simple, and would probably meet with little or no opposition. What those limits should be seems to be suggested by the earlier special incorporation acts, when privileges in this country were neither many nor strong. The new act, however, should be modified in such ways as three quarters of a century of advance in population and wealth may appear to make necessary.

It seems reasonable to expect that with a change in forms of incorporation would come changes in the bearing of the courts toward those whom Lincoln called "the plain people." The cause for both changes would be the same. Monopolies of natural opportunities, public highway franchises and taxation favors being no longer in the hands or within the reach of individuals, great motives would be gone for the abuse of the courts, either in the issuance of arbitrary enjoining orders, or in the confusion of the weak and helpless in the coils of litigation. Statutory definition of contempt of court and provision for trial by jury in contempt cases might, but scarcely would, be necessary. The courts would largely change their character, since then the causes for trial would mostly be between man and man, and not between man and Privilege, as is now so common. If the land monopolists were taxed out, the tariff monopolists wiped out by repeal of all customs

duties, and all the public highways were conducted by publicly elected officials, as now the paved and unpaved roads are — where would be the demand for armies of lawyers, at very high pay, to devise ways to twist, extend and circumvent the laws; to invent pretexts for the assumption of power not expressed in the will of the people; and to cast over it all a glamour of eloquence, tempered by seeming reason and justice? With Privilege gone, the prize for the subornation of legal intellect, both on the bench and at the bar, would have vanished, and practice then would probably resume the lines of settled order and ancient wisdom.

CHAPTER III

THE NATURAL ORDER

WE have now covered the whole field of our inquiry. We have found the unequal distribution of wealth, which so distracts public and private life in the Republic, to be due to Government favors to individuals, operating in all instances as if private laws had been made expressly for their benefit. We have seen the Government favors or privileges fall into four general classes: monopolies of natural opportunities, tariff and other taxes on production and its fruits, highway grants, and incorporation powers and immunities. We have seen that the first two of these can be destroyed by shifting the entire weight of taxation from production to land values, that highways should be taken over, and that then would easily follow simplified processes of incorporation and modified judicial practices.

How could proposals so simple cure ills so complex as those that distort or disturb every phase of life in the Republic? It is because such proposals go to the beginnings. A pebble started at a mountain top, and gathering as it goes, may precipitate an avalanche. So starting with equals, a simple power of some to appropriate from the toil of others will at length differentiate society into red heels and sabots; with culture, refinement, graces and self-indulgence on one side, and ignorance, brutishness, uncouthness and want on the other. Some will appear ordained to rule; others, to be ruled. And should the few refuse to relinquish the power of appropriation

that exalts them and depresses the mass, there can be no conclusion but a social cataclysm, in which the primal truth of equal rights will declare itself, even though "clad in hell-fire."

There is a right way for the individual to live and a wrong way. There are natural physical and moral laws which he perceives and which he realizes he must not transgress. The rules for his spiritual peace and happiness are few, simple and obvious.

Are there natural ordinances for the individual and not for society? Is not the coming together of individuals to join their powers the first step in civilization? Are there no natural laws for the governing of men so drawn together? Is not Nature's great, simple, cardinal mandate for social progress that men should associate in a condition of equality — not equality of physical, mental, or spiritual powers, but equality in respect to natural opportunities? Clear and keep clear the way to Nature's bounties and then let individuals alone — that is the supreme canon of civilization. The next rests upon and is subordinate to it, being that as social needs develop, they call for performance of social functions. This is required in order that the principle of equal rights shall not be disturbed, which would occur were such performance made a privilege to be controlled by individuals.

What more is proposed in these pages than a return to the natural order? Those functions that are by their nature public should be performed by the public. Those functions that are by their nature private should be left to private hands, freed of all hindrances and embarrassments. Beneath all, Nature should be liberated from the thraldom now closing up and shutting off bounties she freely offers to all and which all should equally enjoy.

Does this propose anything strange or impossible? Does it in any way conflict with natural justice? Is it not, indeed, the decree of Justice?

The production of wealth would not be less in such a

state of things, but more; while the powers to interfere with its natural and equitable distribution would be destroyed. None would have the means of appropriating what he did not produce. None would have the power to heap together great riches at the expense of the mass. To the producer would go the fruits, and he who would not work should starve, or at least be viewed with disgust and treated with contempt. No longer would the idler, the appropriator of other men's gains, write himself "gentleman" in the marriage certificate; no longer would the owners of Government favor range themselves apart as an aristocracy of privilege. Then gentlemen would be only such as, in Franklin's words, could show themselves "to be useful members of society"; then, in Jefferson's words, "virtue and talents" would constitute a "natural aristocracy . . . the most precious gift of Nature, for the instruction, the trust and the government of society."

For if Nature, which is so copious in her gifts that, as Prince Kropotkin says, no man can tell the possibilities of a foot of earth — if lavish Nature is no longer shut off by the speculator at every turn, but is cast open to the labor of head and hand, whence can come enough men to fully engage her in production? Her demand for men can never cease, and to them she does not exhaust herself, but passes from a lower to a higher use, multiplying her rewards in an infinite progression.

Where all men would be able to get an independent living, who need bow, or cringe, or be afraid? And where would be the necessity for laborers to band together to resist cutting in wages, blacklisting, dismissal for premature old age?

Labor produces more and more as civilization advances; but Privilege, in the person of the monopolist of natural opportunities, the owner of franchise, tariff or similar power, appropriates, leaving to the laborer little more than enough to sustain him in further production. Wages at bottom depend upon what the laborer can earn for him-

self from the best land that is free to him — land that is open to him without the payment of rent. With all restrictions away and Nature calling for men to bring forth her infinite quantity and variety of treasure, and with the powers of labor increasing as the human units more closely coöperate in the body social, wages would not fall or even remain stationary, but would mount. American laborers would then think no more of organizing against "capital," as Privilege is mistakenly called, than they would think of organizing against a race of men whose only records are a few scattered ruins and picture writings engraved on fragments of stone. Strikes and lockouts, sweeping enjoining orders and the glisten of bayonets in industrial affairs would belong to a past and to-be-forgotten age. Great stretches of unused Nature would be calling to labor to come and receive her rich reward, and none by Government writ or social sanction would bar the way.

Labor applied to free conditions would find so ample a reward as to lead sensibly to a shortening of the hours of toil and the development of the mental and moral natures. Prisons and penitentiaries, almshouses and insane asylums would cease to be crowded, and most of them would crumble in disuse: for sin and crime, and disease and helplessness, which are the progeny of involuntary poverty, or of its antithesis, superabundance, would lessen with the change that brought bountiful opportunity to all.

Again the worth of individual manhood would shine forth, and public questions would be the interest and the concern of all. Again would revive the spirit of the town-meeting — "the wisest invention," said Jefferson, "devised by the wit of man for the perfect exercise of self-government and for its preservation." Politics would clear and purify, for where would be the prizes that corruption now wins; who to be corrupted, among a people filled with a new hope? The bondage of the press would cease, the university be freed from the hand of special interest, the pulpit cut away from deadening dependence.

The trend of Government would change from centralized, solidified, one-man power toward democratic, decentralized, federated communities. More surely then the sense and sincerity of the mass of the people would become the guides of progress; and, too strong to fear oppression, the Republic would become too just to oppress.

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